PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 334

HOUSE OF COMMONS

OFFICIAL REPORT

SECOND SESSION OF THE FIFTY-SECOND PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FORTY-EIGHTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 1998–99

COMPRISING PERIOD
28 June—8 July 1999

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28 June 1999

THE
PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE SECOND SESSION OF THE FIFTY-SECOND PARLIAMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 7 MAY 1997]

FORTY-EIGHTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 334**

TWELFTH VOLUME OF SESSION 1998–99

House of Commons

Monday 28 June 1999

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

CULTURE, MEDIA AND SPORT

The Secretary of State was asked—

Small Theatres

1. **Mrs. Jacqui Lait** (Beckenham): If he will make a statement on the future of funding for smaller theatres. [87197]

The Secretary of State for Culture, Media and Sport (Mr. Chris Smith): It is for the Arts Council and regional arts boards to take decisions on funding for individual organisations, and to formulate policy for individual art forms, including those relating to smaller theatres. I have made it clear to the Arts Council that there is considerable concern about the condition of regional theatre across the country, which needs to be recognised and addressed.

Mrs. Lait: Will the right hon. Gentleman make the same clear to local authorities that contribute to funding small theatres such as the Studio in Beckenham, which is supported by the people who live in deprived wards in my constituency, and which is threatened by the Lib-Lab pact that runs Bromley? Does he agree that in addition to regional theatres, smaller theatres need community support if they are to continue to exist. Is he concerned that cuts in capital funding will threaten the existence of those theatres?

Mr. Smith: The hon. Lady is right to point to the support that local authorities give to small theatres. Indeed, 14 per cent. of all funding for theatres comes from local government. As regards the Studio, the co-leader of Bromley council, Councillor Chris Maines—a Liberal Democrat, I believe—has said:

"The Studio is too small to be viable and not a lot of people get to see what is put on there . . . We cannot justify the subsidy Studio gets from the Council."

The hon. Lady ought perhaps to address her remarks to Liberal Democrat Members.

Dr. Brian Iddon (Bolton, South-East): I thank the Secretary of State for his statement on the future of regional theatre. Will he congratulate the Octagon theatre, Bolton, and, in particular, SCOT—the campaign to support the theatre—which hopes to guarantee continued production from October by raising a large sum of money? Will he agree to the request contained in a petition from the Friends of the Octagon, requesting him to meet representatives of the theatre to discuss their concerns?

Mr. Smith: I recall discussing the Octagon theatre with my hon. Friend and others, and I warmly congratulate those who have raised substantial funds for the theatre. I would be happy to meet representatives of the Octagon and of other theatres in the north-west of England. I have asked the Arts Council, as part of the funding agreement for the coming year, to review the subsidised provision of producing theatre and the associated infrastructure in the regions of England. I want the Arts Council to pay real attention to those issues.

Mr. Peter Ainsworth (East Surrey): May I return the right hon. Gentleman to the question from my hon. Friend the Member for Beckenham (Mrs. Lait), which he

effectively dodged with a sensible sideswipe at the Liberal Democrats? On capital funding, is he aware of growing concern that, following the 30 per cent. cut in the Arts Council lottery fund and the overall cut in spending on the arts, less money will be available for capital projects in theatres, many of which urgently need refurbishment and restoration if they are to stay open at all? What can he do to dispel the impression that neither he nor the Arts Council care much about smaller regional theatres?

Mr. Smith: I fear that the hon. Gentleman is getting capital and revenue mixed up. The Studio in Beckenham is a capital lottery-funded project, and lottery funds have been made available. Our Government changed the lottery, by means of the National Lottery Act 1998, to ensure that lottery funds can be used to support people and activities, not just bricks and mortar. By doing so, we did something that the hon. Gentleman's Government never did.

Competitive Sport

2. **Mr. Paul Goggins** (Wythenshawe and Sale, East): What steps he is taking to encourage schools to play competitive sporting fixtures against other local schools. [87198]

The Secretary of State for Culture, Media and Sport (Mr. Chris Smith): It is important that we give young people the opportunity to take part in competitive team games, not only within their own schools but against other schools as well. Intra-school and inter-school competitive activities are already included as one of the criteria schools have to meet to be awarded a sports mark. However, competitive games need to be given an even higher profile, and we have asked Sport England to ensure that arranging inter-school competitive fixtures is a key part of the job description of the new active schools co-ordinators.

Mr. Goggins: I thank my right hon. Friend for his answer. The initiative is welcome, particularly as competitive sport in schools declined by about 70 per cent. during the previous Government's period in office. May I draw my right hon. Friend's attention to cricket, a game meant to be one of our major national sports, but which is hardly played in state schools? There are many reasons for that: teacher time, the state of pitches, poor coaching and the fact that schools close for about a third of the cricket season. Will the Secretary of State ensure that competitive cricket in schools is an essential feature of his initiative?

Mr. Smith: I can indeed give my hon. Friend that assurance. Cricket, along with football, rugby of both codes, athletics, swimming and tennis will be part of that initiative for the active schools co-ordinators to promote inter-school competition.

Mr. Richard Spring (West Suffolk): Does the right hon. Gentleman not understand that giving 14 to 16-year-olds an opt-out from competitive team sport often simply means that in practice they will not do any sport or physical education? Has he heard Denise Lewis's comment:

"To take the competitive element out of sport seems ludicrous"?

Does the right hon. Gentleman not understand why that policy has provoked a storm of protest among concerned British sportsmen and sportswomen?

Mr. Smith: I suspect that what protests there have been have resulted from direct and deliberate misrepresentation by Conservative Members. I refer the hon. Gentleman to the comments of David Moorcroft, the chief executive of UK Athletics, who said:

"Setting a new target of two hours of PE in school per week for every child is a real breakthrough. It is right that young people who prefer activities like athletics should be free to spend more time on them as they get older. The result will be children doing more sport and PE in schools".

That is the aim and that is what we will achieve.

Cricket Grounds

3. **Maria Eagle** (Liverpool, Garston): What steps his Department is taking to improve safety and spectator comfort at cricket grounds. [87199]

The Minister for Sport (Mr. Tony Banks): The Government are determined that spectators of all sports should be able to enjoy the action in safety and comfort. In April, I announced new roles for both Sport England and the Football Licensing Authority in our drive to modernise sports grounds throughout the country. Sport England is to fund a £10 million improvement scheme in the next four years to help top rugby league and rugby union teams and the major cricket counties to improve safety at their grounds. In addition, the Football Licensing Authority will be reconstituted as the sports grounds safety authority and will have an advisory role on safety issues associated with all sports that use outdoor sports stadiums, including cricket. I am sure that my hon Friend will agree that these are welcome developments.

Maria Eagle: I thank my hon. Friend for that reply. Does he agree that the best way to improve spectator comfort at cricket grounds would be to improve the England cricket team, since there is little more depressing than having to watch a succession of England batsmen returning to the pavilion, whether one is watching in safety and comfort or not?

Mr. Banks: Mental comfort might indeed be improved by greater success, but our lads tried their best—it is just that on that occasion their best was not good enough. I hope that the recent changes that have been announced, in particular Nasser Hussain's captaincy, will help to restore the fortunes of English cricket, which is dear to the hearts of all of us in this House.

Racism in Sport

4. **Mr. Jeff Ennis** (Barnsley, East and Mexborough): What steps his Department is taking to tackle racism in sport. [87200]

The Minister for Sport (Mr. Tony Banks): Racism is a blight that impacts on all sports. Last year the football task force published its report "Eliminating Racism from Football". I subsequently asked the football authorities to consider how they could implement the recommendations. This has been a good start, but we must ensure that the

problem is tackled by all sports. To that end I have written to the governing bodies of cricket, tennis, athletics, rugby union and rugby league to ask them how the problems can be addressed within their sports. Once I have all their proposals, I intend to call a meeting with those governing bodies, the Commission for Racial Equality and the Local Government Association to discuss new initiatives to combat the evil of racism in sport.

Mr. Ennis: I thank my hon. Friend for his reply and congratulate the Government on their swift action to try to stamp out the insidious practice of racist chanting, particularly at football matches. Does my hon. Friend agree that in future he needs to inform football clubs before the start of the new football season—and the stewards employed by those clubs—of the changes that will come into practice in the near future?

Mr. Banks: Yes, I do indeed agree. The relevant legislation is before the other place, which demonstrates how swift we were to act on the recommendations of the football task force that racist chants by an individual should become an offence, as is the case with collective chanting. All the football clubs have made good progress in dealing with racism and hooliganism inside their grounds, but this campaign must be continuous. Slogans placed in programmes and around the perimeters of grounds about keeping racism out are not of themselves sufficient. The campaigns must be proactive. The House can be assured that the Government will continue to have discussions with and use our influence to put pressure on the governing bodies. They take the issue seriously, but we want to help them to drive out the cancer of racism from sport.

Mr. John Bercow (Buckingham): Does the Minister share the view that the England cricket selectors are themselves failing adequately to recognise the talents of non-white players? If he does, with what speed does he expect progress to be made in that matter?

Mr. Banks: The hon. Gentleman raises a most interesting point. One of the lessons that we must learn from the world cup is the enormous fervour and enthusiasm for cricket among our Asian communities. As I have said before, English cricket will be transformed, as English football was transformed, the more that the ethnic minorities in our country become involved in those sports. For example, the appointment of Nasser Hussain is a good step forward. The cricket authority—the England and Wales Cricket Board—is aware of the need to do far more in the Asian communities to scout for talent, to nurture that talent and to get it through the county structures and into the English team. I know that I can always count on the support of the hon. Gentleman in campaigns of that sort.

World Cup Bid

5. **Mr. Michael J. Foster** (Worcester): What assessment he has made of the prospects for England's bid to host the 2006 world cup; and if he will make a statement. [87201]

The Minister for Sport (Mr. Tony Banks): I am firmly optimistic about our chances of success. England's bid has always been strong but, in the light of recent events, it is gathering even more momentum and strength; for example, through the highly successful visit to England last month of representatives of world football, who were received by His Royal Highness Prince Charles at Highgrove and by my right hon. Friend the Prime Minister in Downing street. The representatives also enjoyed the fantastic spectacle of the Wembley cup final.

Manchester United's triumph in the European cup was a great advertisement for English club football and for English fans. The decision by UEFA—the European governing body—to remove the expectation that European delegates on the FIFA executive were to support Germany has further boosted our chances. The Football Association's 2006 bid is a national campaign actively supported by the Government and by Opposition parties. I am grateful to Members on both sides of the House who are working with me to ensure England's success.

Mr. Foster: As my hon. Friend knows, the Football Association announced today that Manchester United football club does not have to take part in next season's FA cup. As a lifelong supporter of Birmingham City, and a fan of Worcester City, I am not used to supporting such a successful team. Can my hon. Friend enlighten the House as to the justification for that decision by the FA?

Mr. Banks: Manchester United's exemption from next season's FA cup is a one-off exceptional proposal, in exceptional circumstances. There are two reasons for that. The first is that England has an unenviable reputation for looking down on new, major tournaments. We refused to enter the world cup when it was first organised, and we refused to enter the European cup when it began—my own club, Chelsea, which won the championship in 1954-55, was refused the privilege of being the first club to go into Europe. No one can say that those decisions were right; they were wrong and we cannot make the same mistake again. We cannot afford to be wrong about a new world club championship in the year 2000.

Secondly, if Manchester United does not compete, Bayern Munich will replace it as Europe's champion representatives in Brazil. It is my considered opinion that, in such an event, significant damage would be inflicted on England's chances of hosting the world cup in 2006. The FA and indeed the Government are asking Manchester United and all fans to do their best to enhance England's reputation and standing throughout the football world.

Mr. Peter Ainsworth (East Surrey): The whole House will know that the Minister brings his personal energy to the world cup bid with all the animation of Roland Rat, but what is he doing about—*[Interruption.]* I hope that the Minister is more successful in sport, and that he takes a leaf out of Roland Rat's book because Roland Rat was rather successful at TV-am.

What is the Minister doing about the situation at Wembley? He will be aware that, in football circles, there is growing concern about the lack of progress towards the all-important redevelopment that is needed if we are to have a world-class stadium in time not only for the world

cup bid, but for the athletics championships. What is he doing to bring Brent council to the table in order to achieve progress on that important development?

Mr. Banks: One thing I can tell the hon. Gentleman is that I will not rat on England's chances of securing the world cup in 2006, and I hope that he will not either, because I have been obliged to him and his hon. Friend the Member for West Suffolk (Mr. Spring) for their support for that campaign.

The development of the new national stadium at Wembley is proceeding, and we shall unveil the proposals for that stadium toward the end of next month. I think that the hon. Gentleman will be satisfied because, together with his hon. Friend, he will be invited to the presentation and they will be able to see exactly what is proposed. We are confident that the new stadium will be available and open by early 2003 at the latest. That will give us the opportunity to use it for the 2005 world athletics championship.

The new stadium remains the centrepiece of England's 2006 bid. I assure the hon. Gentleman that I have held discussions with my Labour colleagues on Brent council and we are keeping them posted because we do not want a public inquiry at the end of all this. Stage by stage, they have been involved in the negotiations. Although those negotiations are not being carried out directly by me, my right hon. Friend the Secretary of State and I are taking a close interest in the development of the new national stadium at Wembley. I know that it will be the envy of the world when it opens in 2003.

Mr. Peter L. Pike (Burnley): May I assure my hon. Friend that all those who are interested in football in this country are fully behind him? We congratulate him and the team who are fighting for the 2006 games and welcome his comments about the stadium. However, the issue is not merely the new stadium at Wembley, but the transport infrastructure. Can he assure us that that infrastructure will be able to meet demand far better than the current, quite appalling, system?

Mr. Banks: I am grateful for my hon. Friend's comments about the 2006 campaign. We are asking all football supporters—not only Manchester United supporters, but all those who might like to have played Manchester United in the early rounds of the FA cup—to accept that Manchester United's exclusion from next year's FA cup, if it decides to accept the offer presented by the FA, is a one-off that is being done in the wider interests of English football. Football fans are just as capable of recognising national effort and national interest as anyone else in this country, and I know that they will do so.

My hon. Friend is absolutely right about Wembley: it would be pointless to have a brand-new stadium in the mess that is that part of the lovely borough of Brent. We are taking such matters into consideration because the whole proposal for the national stadium must be consistent with improvements to transport infrastructure.

Film Industry

6. **Miss Anne McIntosh** (Vale of York): If he will make a statement on the financing of the British film industry. [87202]

The Minister for Tourism, Film and Broadcasting (Janet Anderson): The Government's objective is to create the conditions for the growth of a self-sustaining, commercial film industry through the tax incentives introduced in 1997, through collaboration with the industry on the film policy review and the film finance forum, and through targeted support for the development and production of British films. We are also establishing a new body—the Film Council—which will have the specific task of helping the industry to develop sustainable financial structures.

Miss McIntosh: The much trumpeted tax breaks to which the Minister refers have not benefited one film that has been made in this country. Does she agree that the remarks made to *The Independent* in March by the Secretary of State are quite silly? He described the tax breaks as

"a really significant step in getting more British films made, and attracting more overseas film-makers here to use our facilities and our craftsmen and actors".

Not one film has benefited, and I understand that the tax breaks are threatened by European Union harmonisation proposals. What support can the film industry in this country expect from the Government?

Janet Anderson: I can only say that that is not what the well respected company Ernst and Young has to say. It has said that, because of the tax incentive it has been able to move into film financing, with an initial £30 million slate of British movies. Tax deals on completed films are providing new money for producers to put into their next film. That is a direct result of the action taken by my right hon. Friend the Chancellor of the Exchequer in his first Budget.

Mr. Tom Clarke (Coatbridge and Chryston): Is my hon. Friend the Minister aware of the huge success of "Notting Hill" in the United States? Does she share with British movie makers their great pleasure at the fact that, in contrast to a survey a couple of years ago, a survey following that film shows an increase in appreciation of and demand for British films in the United States? Given the presence of our Los Angeles film office, does not my hon. Friend believe—in contrast to the doom and gloom that we have just heard—that investors have every reason to feel encouraged about supporting British films, both across the Atlantic and at home?

Janet Anderson: I thank my right hon. Friend for that well-timed question and take this opportunity to pay tribute to him, as many of our achievements are the result of the excellent work that he did as Minister for Film and Tourism. A great deal has been achieved for British films with Government support over the past two years. We intend to build on that progress, and the definition of what constitutes a British film will be amended next month so that more films made in this country can qualify for tax breaks. The Government want to ensure that we give tax breaks only to those films that are really British. There is obviously support for British films around the world.

Mr. Peter Brooke (Cities of London and Westminster): Given the relative size of the British film industry, the disproportionate number of Oscars that British films and actors win and the fact that the City of

London is the world's leading financial centre, what prevents us from marrying together those national talents and assets?

Janet Anderson: The right hon. Gentleman may not be aware that the Government have established the film finance forum—an independent think tank that is working to provide guidance and to encourage and assist with the industry's structural development in order to create the types of commercial undertakings in which the City will feel able to invest. In short, the forum is a bridge between the film industry and the main investment sectors. As a result of its activities, Ernst and Young began to get interested in funding British movies and, as I said earlier, has produced a £30 million slate for them. That is a great tribute to what the Government have done for British films.

Broadcasting Reception (Wales)

7. **Mr. Gareth Thomas** (Clwyd, West): What steps he plans to take to ensure that broadcasters improve reception of television and radio in Wales. [87203]

The Secretary of State for Culture, Media and Sport (Mr. Chris Smith): The BBC and the broadcasting regulators are responsible for the transmission of television and radio services. The topography of Wales has long presented problems to broadcasters. With the aid of an extensive network of local relay stations, analogue television and radio broadcasters have now achieved near universal coverage in Wales. Digital broadcasters face similar problems in providing television and radio services to Welsh viewers. The BBC, the Independent Television Commission and the Radio Authority are now working with my Department to improve digital television and radio coverage.

Mr. Thomas: I am grateful to my right hon. Friend for that reply. He is correct to say that the Welsh topography presents broadcasters with particular difficulties. What assurances can he give in that regard? Although digital television might provide an answer, current coverage remains patchy. Is it not essential to ensure that broadcasters improve coverage, which currently reaches no more than 70 per cent. of the Welsh population?

Mr. Smith: We are considering that issue seriously with the broadcasters and the broadcast regulators. There are 230 local relay stations in Wales, and some 98.3 per cent. of Welsh people can receive analogue television transmissions. However, the situation could still be improved and we are looking at all the possibilities in that area.

Mr. Dafydd Wigley (Caernarfon): Does the Secretary of State not accept that, although the people to whom he referred may receive a television picture, the quality of the signal may be infinitely inferior to those emanating from other stations, mainly situated in England? Given that everyone living in Wales will be affected by decisions taken by the National Assembly on education, health and housing, do they not have a right to top-quality television and radio reception for news items about those subjects?

Mr. Smith: It is indeed our wish that as many people as possible, both in Wales and elsewhere in the United Kingdom, get the best possible quality picture and coverage. The quality and the provenance of the programmes that people can see really matters to them. We are considering that issue and we will consult closely with our colleagues in the new Welsh Assembly about any matters concerning Wales.

Mr. Michael Fabricant (Lichfield): The Secretary of State is correct to say that the topography of Wales affects broadcasting signals, as it does in Scotland and in other parts of the United Kingdom. Does he accept that universal coverage will cost a huge amount of money—a sum that is disproportionate to the numbers of people who deserve to see those programmes? When will the Government get off the fence and accept that there is no middle way regarding the funding of the BBC? When the current licence period ends, will the Government not have to consider in advance allowing advertising, sponsorship or both on some or all BBC channels in order to assist with the expansion of British broadcasting?

Mr. Smith: I have to say to the hon. Gentleman that the first part of his question is right. A difficult balance must be struck between cost and quality of picture, and we are working on that. However, I cannot agree with the latter part of his question. As he knows, we have asked Gavyn Davies and the panel that we appointed to report on the immediate future funding of the BBC. I suspect that I will take more cognisance of what Mr. Davies has to say than I will of the hon. Gentleman.

Tobacco Advertising Ban

9. **Mr. Desmond Swayne** (New Forest, West): What recent representations he has received from sporting bodies which will be affected by the proposed ban on tobacco advertising. [87205]

The Minister for Sport (Mr. Tony Banks): The full task force has met three times and since January, I and the other members of the task force have had 10 meetings with representatives from the sports that are seeking our help. That close contact has identified the significant problems facing the sports in replacing tobacco money. They are all vying for sponsorship money in a crowded marketplace. We shall assist them in repositioning themselves in the marketplace and support them in building new commercial relationships that can be sustained.

I have also recently had a very positive meeting with Richard Branson about help that he may be able to offer sports. My officials are now following up that meeting.

Mr. Swayne: But what estimate have the Government made of the impact on the nation's health of the policy of providing a dispensation to snooker and formula one? If they estimate that the damage will not be very great, and certainly insufficient to question the very policy of providing that dispensation in the first place, why cannot the dispensation simply be extended to the 65 sports that are now facing financial difficulty and, in some cases, oblivion?

Mr. Banks: It is a bit rich for a member of the Opposition to start talking about the damage caused to sports or to people's health by the use of tobacco. The

previous Government never did anything about that issue. The right hon. Member for South–West Surrey (Mrs. Bottomley) refused to ban tobacco advertising or sponsorship. We have done so, and we shall be commended for that. The hon. Gentleman knows that all sports will be required to end tobacco sponsorship by 2003. The only exemption will be for those sports that compete in three countries on two continents and have a substantial proportion of sponsorship—over £2.5 million—from tobacco.

Mr. Patrick McLoughlin (West Derbyshire): A million from Bernie.

Mr. Banks: That will, undoubtedly, apply to formula one and, perhaps, to snooker, if it can prove—

Mr. McLoughlin: A million from Bernie.

Madam Speaker: Order. There is a parrot in here.

Mr. Banks: I had a parrot—an African parrot called Chunky. He was considerably more articulate and beautiful than the hon. Gentleman. An apology to parrots is probably in order.

I say to the hon. Member for New Forest, West (Mr. Swayne) that snooker will have to prove its case if it is to be exempted until 2006. If he is worried about the impact of tobacco use on the nation's health, why on earth did he accept hospitality at Henley from the Imperial Tobacco Group? Clearly, he was not worried about his health.

Out-of-school Activities

11. **Mr. Andy King** (Rugby and Kenilworth): How many schools he estimates will benefit in the first year of the national lottery–funded out–of–school hours activities. [87207]

The Secretary of State for Culture, Media and Sport (Mr. Chris Smith): The programme, for which the new opportunities fund has allocated £205 million, opened for applications at the end of March, and the first grants under the programme will be announced in the autumn. It is therefore too early to say how many schools will benefit this year. However, we expect that by 2001 the new opportunities fund will have funded regular out-of-school-hours activities in at least half of all secondary schools, a quarter of all primary schools and half of all special schools. That breaks down as approximately 10,000 schools in the UK. In addition, by 2002, the fund will have committed funds to summer school projects which will provide summer school places for an extra 250,000 pupils.

Mr. King: I thank my right hon. Friend for that welcome announcement. I have visited such clubs, as I am sure have all hon. Members. I recently visited Bridges in Brownsover in my constituency, which is a first class club, where all the children are benefiting significantly from the opportunity to socialise and learn with other children, and their parents have the security of knowing that their children are safe and in a proper environment both before and after school. Will my right hon. Friend ensure that such opportunities will be made available across the country, and that the new opportunities fund will be asked to provide good quality information to all education authorities on how to access that fund?

Mr. Smith: Yes; I can give my hon. Friend that assurance. Indeed, such information has already been sent to all parts of the United Kingdom. Under the directions that we have established for the new opportunities fund, we have insisted that it ensures a fair geographical spread of the moneys that it makes available.

MILLENNIUM EXPERIENCE

The Secretary of State was asked—

Dome

28. **Mr. Tony McNulty** (Harrow, East): If a revised sponsorship target for the millennium dome has been set following the achievement of the original target. [87227]

The Minister for Tourism, Film and Broadcasting (Janet Anderson): Some £160 million of sponsorship has been committed to the millennium experience. That is more sponsorship than has ever been raised for any single event in the United Kingdom.

Mr. McNulty: I thank my hon. Friend for that answer. Will she join me in congratulating the New Millennium Experience Company on meeting its target, but assure me that she will keep up the pressure so that it maximises its sponsorship potential? Will she publish in the House of Commons Library a list of every moaning minnie on the Opposition Benches who carped and whinged his or her way through last year, saying that the millennium experience company would not reach its target, but who now have had the grace to apologise and congratulate the company? I suspect that it will be rather a short list.

Janet Anderson: I thank my hon. Friend for that observation. He is of course right that the faint hearts on the Opposition Benches said that the company would never reach the sponsorship level that we had set. We do not intend to issue a revised sponsorship target, although we are finding that more and more people want to contribute to what will be the most spectacular event in the world marking the millennium.

Mrs. Virginia Bottomley (South–West Surrey): In her list of moaning minnies, will the hon. Lady please put at the top the right hon. Members for Hartlepool (Mr. Mandelson) and for Sedgefield (Mr. Blair) and her other colleagues who for nine months, particularly in opposition, thoroughly and professionally rubbished the millennium company and all its work, so greatly damaging sponsorship? I am delighted that on this, as on many things, they changed their tune on 1 May 1997. They should not try to rewrite history as well.

Janet Anderson: The right hon. Lady should not subject us to such nonsense. As she knows only too well, this Government decided to take the project forward. Indeed, I take this opportunity to remind the House that

if the Conservative party had had its way, the dome would have been pulled down at the end of the millennium year. We intend that the dome is put to good use afterwards.

Mr. Robert Maclennan (Caithness, Sutherland and Easter Ross): Has that sponsorship diminished the amount of money going to other artistic projects?

Janet Anderson: I assure the right hon. Gentleman that there is no evidence of that; increasingly we are finding that people want to be associated with the project. Sponsors who have so far supported the project include BT, Manpower, Tesco, BSkyB, Marks and Spencer, Boots the Chemists, McDonald's, Ford, the Corporation of London and BA—the list goes on and on. I assure the right hon. Gentleman that there is no evidence that that sponsorship has reduced support for other projects.

29. **Ms Rosie Winterton** (Doncaster, Central): How many temporary and permanent jobs he estimates will be created through the millennium dome. [87228]

The Minister for Tourism, Film and Broadcasting (Janet Anderson): During the dome's year of operation 5,000 full-time jobs will be created. Of those, 2,000 will be employed directly by the New Millennium Experience Company and 3,000 will be employed by service providers, such as caterers and security services. NMEC's recruitment drive was announced on 10 June.

Ms Winterton: Is my hon. Friend aware that Ridings International in my constituency secured 14 jobs by winning a £2 million contract to provide 50 miles of steel cable, which holds up the dome? I think that it is safe to say that without Doncaster, the dome would droop. In view of that invaluable contribution, will she ensure that companies which help to erect the dome are included in the opening celebrations?

Janet Anderson: I thank Ridings International for its very significant contribution. My hon. Friend is quite right—without it, goodness knows what would happen to the dome, because that company's steel cables are holding it up. We are anxious that as many people as possible who have participated in this project should be included in the opening celebrations. We are carefully considering who we can include, and we shall take very careful note of my hon. Friend's suggestion.

Sir Sydney Chapman (Chipping Barnet): I am sure that the Minister would agree that central to the success of the millennium dome and the millennium experience must be a London Underground connection to it. As she believes in joined-up government, will she tell the House when the whole length of the Jubilee line extension will be open?

Janet Anderson: I cannot give the hon. Gentleman an exact date, but I can assure him that it is a subject of much discussion between my Department and the other Departments involved. I assure him that the Jubilee line extension will be finished on time.

Mr. Peter Ainsworth (East Surrey): May I ask the Minister to withdraw her remarks about Conservative Members' attitude to the dome? She knows perfectly well that we have continued to support the project. It is not our fault that 90 per cent. of the population believe that it is a waste of money. Whose fault is that?

While on the subject of long-term jobs, will the Minister update the House about the after-use of the site? Given the long lead time for such a major investment project, should not we now be moving towards a final stage and selecting what will happen on that site, and who will run it, after the exhibition closes? Or will there be an embarrassing and costly delay between the closure of the exhibition and whatever comes after it?

Janet Anderson: The hon. Gentleman's ability to score own goals gets better and better. I remind him that, under the previous Government, in which he served, there would have been no after-use of the site; they planned to pull the dome down. The hon. Gentleman knows only too well that the Deputy Prime Minister has received several bids for ideas to use the dome in a way that will serve the national interest after the millennium year. We intend that to happen, which contrasts starkly with the Conservative party's woeful attitude.

30. **Joan Ruddock** (Lewisham, Deptford): What assessment he has made of the extra visitors and spending in *(a)* London and *(b)* the United Kingdom next year as a result of the millennium dome. [87229]

The Secretary of State for Culture, Media and Sport (Mr. Chris Smith): The British Tourist Authority has estimated the number of overseas visitors to the UK in 2000 as 27.5 million. Of those, the New Millennium Experience Company foresees that 2.5 million will visit the dome. The BTA has also suggested that as a direct result of the millennium experience, an additional £300 million to £500 million of overseas tourist revenue will be brought into the UK economy. The "halo" effect could double that figure. The BTA has further estimated that 10,000 to 15,000 new tourist-related jobs will be created. That is excellent news for the whole of the UK.

Joan Ruddock: I congratulate my right hon. Friend on that and I share his enthusiasm for what will happen at the dome and all that will follow from that. However, is he aware that in constituencies such as mine—neighbouring Lewisham—some concerns exist arising from those wonderful forecasts? Will he undertake to look at the plans for a passenger transport interchange at Lewisham, which will enable much speedier transfers between the docklands light railway, train services and buses between Lewisham and the dome? That proposal would, I suggest, bring a lasting benefit to local people, help all the visitors and help to ensure that Lewisham does not become a giant dome car park.

Mr. Smith: Of course I understand my hon. Friend's concerns about what might happen if proper provision is not made. It is absolutely essential to ensure that good quality, reliable public transport services are available to everyone who wishes to travel to the dome. I will bring the specific points that my hon. Friend raises to the attention of my right hon. Friend the Deputy Prime Minister.

Miss Anne McIntosh (Vale of York): It is all very well overseas visitors coming and using an interchange at Lewisham, but how are my constituents from the Vale of

York meant to visit the dome? What special arrangements and special fares will be made available for those travelling from the north of England?

Mr. Smith: The hon. Lady will be aware of the National Express package, which has already been announced. It will offer transport from anywhere in the United Kingdom to the dome, including entrance to it, for £29 per person. She will be aware also of the special rates for family groups of up to five people, which have already been announced. The hon. Lady may be aware of the discussions that are under way with other transport operators to ensure that other means of getting to the dome from all parts of the United Kingdom are available at affordable rates.

HOUSE OF COMMONS

The President of the Council was asked—

House Procedures (Reform)

37. **Siobhain McDonagh** (Mitcham and Morden): What progress has been made in reforming the procedures of the House since May 1997. [87237]

The President of the Council and Leader of the House of Commons (Mrs. Margaret Beckett): The procedure for the scrutiny of European Union legislation has been overhauled. New mechanisms for pre-legislative scrutiny are in operation. That is probably the most significant reform that we have introduced. Certain old-fashioned aspects of conduct in the Chamber have been updated. We are experimenting with sitting hours, and I look forward to the autumn when we begin to experiment with sittings in Westminster Hall.

Siobhain McDonagh: I thank my right hon. Friend for that answer. Does she agree with me that while many of the changes, particularly those relating to behaviour in the Chamber, are important, pre-legislative scrutiny will lead to better legislation on behalf of our constituents? As a result, we shall be able truly to consider proposals in a more balanced light and, if necessary, bring about changes.

Mrs. Beckett: Yes, I agree entirely with my hon. Friend. I believe that that process will be conducive to fundamental changes leading to more efficient and orderly management of the House, as well as substantial improvement to what is in many ways our prime purpose in being here. The Committees have worked on four draft Bills so far and a joint Committee has been established on the draft local government organisation and standards Bill. The draft freedom of information Bill is before the Public Administration Committee and another Select Committee in the Lords. I entirely share my hon. Friend's view that all these measures will lead to an improvement in the quality of legislation.

Sir George Young (North-West Hampshire): Was not one reform where the Government hoped to make progress that of injecting greater certainty into the parliamentary calendar? As the date of the summer recess is still shrouded in uncertainty, does the right hon. Lady propose to give further attention to that matter?

Mrs. Beckett: As I have just said, making the parliamentary calendar more predictable was certainly one of the aims, but that is only a knock-on and beneficial consequence of our fundamental aim, which is to have good scrutiny of legislation. Although we have made progress on pre-legislative scrutiny in Committee, there are other aspects of management of the House's affairs where perhaps we have not yet made quite so much progress. The right hon. Gentleman will recognise that with both Kosovo and Northern Ireland, this has been an exceptional year.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): Will my right hon. Friend look seriously at the way in which the American legislature deals with giving individual members independent and accurate advice on legislation? If we were to have the equivalent of the general accounting office available to the House, Members would be able to assess the accuracy of the information that they were being given by Government Departments and by Her Majesty's loyal Opposition, and do something about it. That might be a distinct improvement.

Mrs. Beckett: My hon. Friend makes an extremely important, serious and interesting point. What she says is to some degree the direction in which the House has been going, with the increase in numbers of staff who are available to hon. Members, with the precise purpose of ensuring that those Members carry out their role more effectively. My hon. Friend's underlying point about a fresh facility for the House is one not merely for me but one that may come under discussion in the years ahead in the House of Commons Commission and other such bodies.

Mr. Paul Tyler (North Cornwall): Following the right hon. Lady's previous answers, does she agree that one of the most important recommendations from the Modernisation Committee, which she chairs, relates to the management of business in the House? I understand that 14 Bills have been the subject of agreed programme motions. Unfortunately, we have still had a number of guillotine motions. Does the right hon. Lady agree that the former are preferable to the latter? What efforts will she make to try to ensure that measures are implemented in the next few months to make certain that we have more agreed programme motions?

At various stages 14 Bills have been the subject of agreed programme motions—we have been able to debate them in time and we have had opportunities to take decisions at the right moment—but will the right hon. Lady note that only one Bill has been the subject of a programme motion in Standing Committee? Is she disappointed by that, and what steps can be taken to improve upon that?

Mr. Andrew Mackinlay (Thurrock): Discuss.

Mrs. Beckett: An essay, I think.

I entirely share the hon. Gentleman's view that it is infinitely preferable to have agreed programme motions than for the Government to introduce guillotines, which under this Government have always followed on what we have seen—although no doubt this would be contested—as exploitation of time, rather than use of time properly to scrutinise legislation. In a sense, the imposition of a guillotine suggests the failure of the notion that underlies a programme motion—that all Bills should be properly scrutinised in all their aspects.

The further use of programme motions would require agreement and good will in all parts of the House. It has been evident of late that the view expressed at the outset by the Leader of the Opposition that all Bills should have programme motions is not entirely shared by all on his Benches. However, we shall continue to try to build good will and sensible understanding to the benefit of the public whom we are here to serve.

PRESIDENT OF THE COUNCIL

The President of the Council was asked—

House of Lords Reform

38. **Mr. John Healey** (Wentworth): What representations she has received on the White Paper on the reform of the House of Lords. [87238]

The Parliamentary Secretary, Privy Council Office (Mr. Paddy Tipping): The Government have received a range of representations on their plans to reform the House of Lords. There have also been debates on the White Paper in the House and the other place. Proposals on the second stage of reform are currently the responsibility of the royal commission chaired by Lord Wakeham.

Mr. Healey: I thank my hon. Friend for that answer. In the representations that he has received, what degree of recognition has there been that a reformed House of Lords will be a more independent House of Lords? Can he confirm that one of the main aims for the second Chamber is to achieve a more even political balance, including a strong representation from regions of the United Kingdom, rather than the massive majority control to which the Conservatives have clung for centuries?

Mr. Tipping: My hon. Friend will know, first, that it is the view of colleagues that no party should have an absolute majority in the reformed upper House, and secondly, that the Prime Minister is the first Prime Minister to give up powers by ensuring that an independent appointments system is in place for the new year's honours 2000, to provide a better political balance.

Dr. Julian Lewis (New Forest, East): I note what the hon. Gentleman says, but can he give the House a guarantee that when the Government's reforms of the House of Lords are complete, it will not simply become a fallback repository to reward Tony's donors, now that the position of Director-General of the BBC is no longer available for that purpose?

Mr. Tipping: The hon. Gentleman should remember the history of various Prime Ministers and their appointments. He would do well to scrutinise the record of his own colleagues. As I said, my right hon. Friend the Prime Minister is the first Prime Minister to reduce his powers in that regard.

Millennium Compliance

39. **Angela Smith** (Basildon): If she will make a statement on the preparedness of the key sectors of the UK public infrastructure for the millennium bug. [87239]

40. **Mr. Ben Chapman** (Wirral, South): What progress is being made on the state of readiness of the national infrastructure in preparation for the millennium date change. [87240]

The President of the Council and Leader of the House of Commons (Mrs. Margaret Beckett): All key sectors of the infrastructure have independent assessment programmes in place, ensuring that the UK should have one of the most objective and comprehensive pictures of readiness in the world. The outcomes of the latest assessments will be made public at the next meeting of the national infrastructure forum on Tuesday 13 July.

Angela Smith: I thank my right hon. Friend for her answer, but may I press her further with regard to the water services? Many constituents have expressed to me their concern that after the millennium partying, the continuation of services should be assured so that they can flush their loo and have a cup of tea. Can my right hon. Friend tell the House what arrangements she has put in place to ensure that there is a continuation of services and to reassure my constituents, many of whom do not have enough knowledge about the millennium bug and are understandably worried?

Mrs. Beckett: I am grateful to my hon. Friend for raising the matter. People should know how well their electricity and water supplier is doing as we get nearer to the millennium. We expect further reporting on 13 July and more detail about the huge amount of work that has been undertaken. I am glad to be able to tell my hon. Friend that as recently as 10 June, Ofwat, which is the responsible body for the water industry, reported that it had been assessed as 100 per cent. blue—in other words, its preparations have been completed, so people should be able to flush the toilet or have a cup of tea, as they wish.

Mr. Ben Chapman: Although the independent assessment of the preparedness of key sectors of the national infrastructure is welcome and provides possibly the most comprehensive and objective review of readiness anywhere in the world, this is not a one-off event. Monitoring and preparation must take place right up to 31 December. What further steps does my right hon. Friend have in mind?

Mrs. Beckett: My hon. Friend is entirely right to say that monitoring must take place right up to the millennium date change. We anticipate that further work will need to continue beyond that, because, as he may know, people in some sectors are concerned about the leap year date. We therefore expect and anticipate that people will go on working and developing their programmes and, in particular, that people will plan for continuity of service, should any unforeseen disruption occur.

Mr. David Tredinnick (Bosworth): Can the right hon. Lady assure my Leicestershire constituents that the effort

to cope with the millennium bug has not been centred just on London and the south, and that real efforts have been made in the midlands?

Mrs. Beckett: Yes, I can assure the hon. Gentleman that work has been going on throughout the country. If he contacts the Government office for the east midlands, his local authority and his local chamber of commerce, he will find that they will be able to give him some information about the work being undertaken. I believe that the Prime Minister's adviser on this matter is of the view that more work has been done on this project than on any single issue since the end of the second world war.

Mr. Michael Fabricant (Lichfield): The right hon. Lady will be aware that the best test is to forward-wind computers to see what happens, in simulation, when the date changes. Does she know what percentage of firms has done that test?

Mrs. Beckett: No, I cannot give the hon. Gentleman that detail. The whole purpose of the assessment and work that Action 2000 has done is to report on as many companies as possible in as much detail as possible, where testing has been carried out and independent assessments made, and publication of that work will continue. The hon. Gentleman will find much of that information readily available on web sites.

HOUSE OF COMMONS

The President of the Council was asked—

Early-Day Motions

41. **Mr. David Heath** (Somerton and Frome): What assessment she has made of the effectiveness of the current procedures for early-day motions. [87241]

The Parliamentary Secretary, Privy Council Office (Mr. Paddy Tipping): As part of the preparation for the weekly business statement I, together with the President of the Council, review recent early-day motions. I have not made a wider assessment of the effectiveness of that procedure.

Mr. Heath: I am grateful for that answer. Although many of our constituents do not entirely understand the status of early-day motions as a form of licensed parliamentary graffiti, and setting aside those hon. Members who simply want to curry favour with their local football teams, is there not a case for early-day motions that attract substantial support from hon. Members having some mechanism by which they can be debated in the Chamber, because they clearly represent a body of Back-Bench concern?

Mr. Tipping: I am not sure whether I entirely agree with that point, although I accept the need for more opportunities for Back-Bench debate. I look forward to the Westminster Hall Committee experiment in the autumn, when hon. Members will have the opportunity to press and raise local and regional issues.

Mr. John Bercow (Buckingham): Although I share the view of the hon. Member for Somerton and Frome (Mr. Heath) that early-day motions are an important means by which to express opinion and concern about a range of issues, does the Minister agree that, at least in one area of public policy, they are used—and, I venture to suggest, have been for some years—simply because it is now 14 years and 100 days since the last Question Time was exclusively devoted to European Union matters? In view of the important fact that we have since had three EU treaties that impact on this country, will the Government seriously consider the reinstitution of that important means by which the legislature can hold the Executive to account?

Mr. Tipping: Early-day motions can be an opportunity to raise European issues. The hon. Gentleman will know, if he checks the record, that in May the European Union and Europe were mentioned on 207 occasions in the Chamber. I know that he took a passing interest in that.

Wormwood Scrubs

3.30 pm

The Secretary of State for the Home Department (Mr. Jack Straw): With permission, Madam Speaker, I should like to make a statement on the report of an inspection of Her Majesty's Prison Wormwood Scrubs which the chief inspector of prisons, Sir David Ramsbotham, is publishing today. Copies have been made available in the Library and the Vote Office. Given its serious nature, I thought that I should report to the House the failings exposed by the report at the prison and the urgent remedial action that I expect to see taken.

Before coming to the report itself, let me first deal with the question of the prosecution of certain prison officers. On 15 June, after a detailed police investigation, the Crown Prosecution Service announced that 25 prison officers from Wormwood Scrubs were to be charged with offences of assault on prisoners. The House will understand that I am therefore unable to comment on those allegations today, but there can be no place in the Prison Service for any abuse of prisoners. That is a fundamental principle. The Government and the new Director General of the Prison Service, Martin Narey, will take whatever steps are required to maintain it.

Let me now come to the report itself. The chief inspector of prisons undertook an unannounced full inspection of Wormwood Scrubs from 8 to 12 March 1999. The report of his inspection, published today, makes deeply disturbing reading. In his preface, Sir David recalls that he had already been highly critical of what he had found when he last visited the prison in 1996. In that earlier report, he made a large number of recommendations and called for a determined Prison Service response to reform the prison. However, on his return in March, Sir David found that that reform had not occurred. While individual staff were carrying out excellent work, in what Sir David said were extremely difficult circumstances, he considered that overall the treatment of prisoners remained "profoundly unsatisfactory".

In his report, Sir David sets out a number of specific failings: the needs of prisoners appeared to be inadequately understood; there were examples of the statutory rights of prisoners being denied; induction procedures were poor; prisoners spent too long in their cells; regimes were inconsistent and impoverished; health care had been cut back; there were allegations of abuse, including racial abuse; and arrangements for the discharge of prisoners were not systematic.

Sir David found a destructive, unco-operative, and self-seeking attitude among a minority of staff which had been very difficult for managers to combat. Those are serious criticisms and Sir David makes a large number of recommendations for improvement. I have asked the new director general, Martin Narey, to put in place a robust action plan to respond to them. He is to report to me within 30 days. I expect the overwhelming majority of the recommendations to be accepted and implemented.

There is one significant exception—Sir David recommends that Wormwood Scrubs should be market tested. I am keeping that option open but there are new managers in place at every level of the Prison Service responsible for Wormwood Scrubs and in my view they should be allowed an opportunity to put the prison back on an even keel. However, should rapid progress not be made in reforming Wormwood Scrubs, all options—including market testing or the closure of the prison—are open.

I shall now tell the House of the changes already under way. Those include a thorough overhaul of the procedures of the segregation unit; improved prisoner complaint procedures; more efficient deployment of staff; expansion of the regimes of the prison, including additional offending behaviour programmes, increased constructive activities and a new education contract; a restructuring of health care management; and finalising and implementing an effective drugs strategy.

The report points out that, at the time of the inspection, 46 per cent. of prisoners at Wormwood Scrubs came from the ethnic minorities, compared with 11 per cent. of staff. The chief inspector makes six recommendations relating to race relations, and I accept them all. In addition, as the House knows, the Government are setting the Prison Service overall challenging targets for the recruitment, retention and promotion of ethnic minority staff. That reflects our commitment to eradicating racial discrimination in the criminal justice system.

All those, however, remain small beginnings, and much is still at a planning stage. What I require is a radical overhaul of Wormwood Scrubs, its culture and its working practices. I firmly believe that the overwhelming majority of prison officers will welcome the improvements that the Prison Service needs to implement at the prison. I expect the Prison Officers Association, both nationally and locally, to work constructively with the service to secure reform.

The senior POA official who, a few days ago, publicly described prisoners at Wormwood Scrubs as

"the scum of the earth"

has now expressed bitter regret for his gratuitously offensive remarks. Last week, the national chairman of the POA gave the director general a categorical assurance that his members would work with the governor and senior Prison Service managers to transform Wormwood Scrubs. I welcome that assurance.

I have, however, made it absolutely clear to the director general that change must be delivered at Wormwood Scrubs. I very much hope that that will be done with the full support and co-operation of the staff at Wormwood Scrubs and of all Prison Service trade unions, including the POA—but there will be change, either with or without that co-operation. Wormwood Scrubs has the staff and the resources to meet the challenges laid down by the chief inspector. To ensure progress, I have asked Sir David and his team to conduct a further inspection of the prison in six months' time, the result of which will, of course, be reported to the House.

I am determined to ensure that we have a Prison Service that both protects the public and provides a secure and decent environment for staff and for prisoners.

Miss Ann Widdecombe (Maidstone and The Weald): Again, I thank the Home Secretary for allowing me early sight of his statement and for the prompt delivery of the report. It makes a change from the standards to which I have been used over the past year.

The Opposition support the Home Secretary's decision not to close Wormwood Scrubs. Given the pressure on the London Prison Service, we believe that that would have

[Miss Ann Widdecombe]

been long on drama and short on common sense. On the question of market testing, I accept that as it would involve decanting, and given the present numbers in prisons, it could be impractical. Nevertheless, given the chief inspector's recommendations in paragraphs 17 and 18, can the Home Secretary tell us about his overall plans for market testing?

In his report in 1997, the chief inspector detailed a large number of remedial measures that needed to be taken, and which he says in his current report have been virtually ignored. To whom does the Home Secretary attribute responsibility for the failure to take such action over the past two years? I am sure that he will accept that, while the House is grateful for his assurances about the future, it needs far more detail about what has been going on since the last report, and, in particular, what action has been taken by Ministers, by the then director general, by the area manager and by the governor to implement the recommendations.

Can the Home Secretary tell the House why the prison was left without a governor for six months? Can he also help us with a passage in paragraph 4 of the report? The chief inspector says that

"the prison was left for six months without a nominated successor, during which time the first specific allegations of brutality were handed to me by a solicitor, and by me to the Home Secretary."

What did the Home Secretary do when he received those allegations? Will he put on record the number of complaints of assault on prisoners by members of staff that have been made since the report of March 1997? How many of those complainants asked to see the governor? Is he satisfied that normal procedures were followed? What specific steps were taken to implement the Prison Service's anti-bullying strategy at Wormwood Scrubs?

How many inspections or visits have been carried out since May 1997—other than the one now under report—by the former director general, Ministers and the area manager? How many of those visits, if any, were unannounced? Has the Home Secretary visited Wormwood Scrubs since his appointment? Since the specific allegations of violence were made, has he asked for and received regular reports from the director general on the state of affairs at Wormwood Scrubs? In his regular meetings with the director general, has Wormwood Scrubs been specifically and regularly discussed?

In 1997, the chief inspector's report criticised, among myriad other things, the failure to introduce a personal officer scheme, the failure of the regime over and above the basics, and the absence of sentence planning, which he described as "non-existent". Particular criticism was levelled at the use of special cells and restraints. What remedial action was taken specifically on those points?

When the allegations of violence were first made, was the prison designated as in need of special managerial attention by the Prison Service, and if not, why not? If it was, how could so much have gone unattended to for so long?

What representations about resources and staffing levels has the Home Secretary received from the Prison Service in relation to Wormwood Scrubs? Is he satisfied that resources have been adequate? Will he place in the Library—I do not expect him to know it off the top of his head—a statement of Wormwood Scrubs's performance against each target set for the Prison Service? What are the implications for other reports of the way in which the 1997 report on Wormwood Scrubs was ignored? Will the Home Secretary order a review of all the reports that he has received in his term of office and write to me about their implementation?

The current report points out the difference between the performance of the private sector as against the public sector. I accept that the Home Secretary has already reversed his pre-election pledges on privatisation, but, given what is said in the report, what plans does he have for introducing the standards of the private sector into the public sector, or, optionally, for expanding the private sector?

Mr. Straw: I thank the right hon. Lady for her opening remarks. I am always ready to accept a bouquet from her. I am grateful to her for what she said about the decision not to close the prison. Given the fact that prison numbers are rising—they may have been 800 fewer last Friday than this time last year, but the pressure on the Prison Service is still significant—it would have been impractical.

We do not regard market testing as impractical; it remains an option. If there is not the significant change that Sir David has set out in the report, which I have said we accept, and clear evidence of that change within six months, market testing is one option that we will certainly pursue.

The right hon. Lady asked a number of questions essentially about why the recommendations in the previous report were not followed through as swiftly as they should have been. To be truthful, I cannot give her a satisfactory answer—they should have been followed through much more swiftly. Had they been, I suspect that the report that we have received today would have been a good deal more satisfactory.

Too much time was taken to appoint a successor to the previous manager. The right hon. Lady may know the present manager, Mr. Moore. He comes with a very good track record as a governor, having successfully governed both Albany and Bedford prisons. He has been in post for about a year. Since that time—I am certainly able to give this information to the House; Sir David himself recognises it in the text of the report—some of the recommendations have been implemented, including important improvements in the operation of the segregation unit.

The right hon. Lady asked what I did when I received the allegations. As soon as I received them—they were indeed handed to me; and solicitors representing quite a number of the alleged victims had made separate direct contact with me—I caused them to be investigated. As she and the House will know, consequences have followed from those investigations, so the House will understand why I am not able to go into them in detail.

The right hon. Lady asked how many inspections had been made by the director general, the area manager, Ministers and me. I have not visited Wormwood Scrubs since I became Secretary of State. The previous prisons Minister, my right hon. Friend the Member for Gateshead, East and Washington, West (Ms Quin), paid a visit to the prison last year. I cannot tell the right hon. Lady—although I shall certainly write to her on it—whether that visit was announced or unannounced. Although I know that the director general and the area manager have been

there on a number of occasions, I do not have specific information with me now on the number of visits, but I shall provide it to her. She asked whether I had received regular reports on Wormwood Scrubs from the director general. Yes is the answer to that question—it is a very serious and unsatisfactory situation.

The right hon. Lady asked about levels of resources and staffing at the prison. In his report, Sir David sets out some of the prison's current funding levels. What may be obscured in his report is that two of the prison's wings have now been closed: one was closed towards the end of last year, and another was closed only last week. Consequently, the prison's roll has been reduced from 1,100 to 720. Some of the staff who consequently were not needed were fairly close to retirement, so the opportunity was taken to reduce their roles. However, other staff—particularly from the wing that was just closed—are being kept to compensate for staff who have been the subject of suspensions, and to ensure that the report can be properly implemented.

The prison's resources—I could provide information on them in detail—are adequate. I am quite clear about that, as I have gone in some detail into the issue of its resource levels. The right hon. Lady will know that between 1995-96 and 1996-97, resources overall for the Prison Service were reduced. The Government have ensured that in this financial year, and in subsequent financial years covered by the comprehensive spending review settlement, an additional £660 million will be made available above the levels set by the previous Administration. That money is to improve regimes and to implement many of the actions specified in the report.

The right hon. Lady asked why the previous report was ignored—it was not ignored—and for a review of all the reports. If I may chide her, I should point out that the chief inspector's new report was published within 12 weeks of its receipt. That is consistent with a protocol that I established very quickly after becoming Secretary of State to ensure that all inspector's reports were published very soon and without requiring an action plan to be attached to them.

When I came into office, I discovered that there were about a dozen unpublished Prison Service reports. Some of them had been waiting for publication for many months, and some had been waiting for over a year. Of course I do not blame the right hon. Lady for that—at the time, she was dealing with the forces of the night. Nevertheless, I cannot tell her why the inspection was made in September 1996, but the report not published until Friday 21 March 1997—which was the very last day on which the previous Parliament sat.

Mr. Chris Mullin (Sunderland, South): I welcome the Home Secretary's statement and the robust report from Sir David Ramsbotham. Should my right hon. Friend ultimately decide that the only way to deal with the problems at Wormwood Scrubs is a spot of market testing, he will not find any objections from me. To what extent are the problems that have arisen at Wormwood Scrubs due to overcrowding? As he knows, overcrowding is a problem not only at Wormwood Scrubs, but in other parts of the Prison Service, and it arises, to some extent, from the prison works philosophy pursued by a previous Home Secretary.

My right hon. Friend will have noted that Sir David Ramsbotham refers to the number of prisoners spending up to 23 hours a day in cells at Wormwood Scrubs and will know that the practice is not confined to that prison. In a written question last week, I asked his Department how many prisoners were confined for 23 hours a day. The answer was that the information is not kept centrally. As overcrowding is obviously a serious factor in relation to some of the problems that the Prison Service faces in Wormwood Scrubs and elsewhere, may I suggest that he has a look at this matter?

Mr. Straw: I am grateful to my hon. Friend for what he said about market testing. The report of the Select Committee, of which he is a member—which was also published before the previous election, but slightly more timeously than on the last day of the previous Parliament—has informed our thinking on the use of the private sector.

I am sorry, but I should have answered the right hon. Member for Maidstone and The Weald (Miss Widdecombe) about the use of the private sector. I have already authorised the building of a number of prisons using private sector contracts and that remains the situation. Two prisons, in addition to Strangeways, are currently the subject of market testing—Buckley Hall and Doncaster.

My hon. Friend the Member for Sunderland, South (Mr. Mullin) asked about overcrowding. I can recall no evidence, from a detailed reading of the report, which suggests that overcrowding, in the classic sense of the word, has been a cause of the problems at Wormwood Scrubs. Plenty of other prisons around the country with a similar combination of prisoners, including remand, just-sentenced and long-term prisoners, have to cope with similar pressure from numbers. The staff of those prisons have dealt with their problems very much better—more sensitively, more humanely and more efficiently—than have some of the staff at Wormwood Scrubs. That is why what has happened there is wholly unacceptable.

It is unacceptable that many prisoners have been kept locked up for 23 hours a day. Indeed, there is alarming reading in parts of the report about how the staff had a cavalier attitude to unlocking prisoners. They also took over part of a wing to play cards rather than look after prisoners. I do not regard that as even remotely acceptable.

I will look into the point raised by my hon. Friend about data on time spent unlocked. It is certainly the case that there is a key performance indicator for the Prison Service as a whole on the amount of time which prisoners must be kept unlocked. That information is kept centrally—I assume that it is collected individually from prisons, so there must be some information—and I will follow up that point.

Mr. Richard Allan (Sheffield, Hallam): What systems has the Home Secretary had in place to monitor the state of prisons such as Wormwood Scrubs during his two years in office, or has he been following the policy of his Conservative predecessor—asking no questions and taking no responsibility?

For what reasons does the Home Secretary believe the 143 recommendations of the chief inspector's 1996 report have not been implemented? I am disappointed that he has not visited the prison during the past two years. Does he have any idea why his prison visit programme does not take into account the priority that one would have expected to be afforded to a prison with such a report as the 1996 report hanging over it?

[Mr. Richard Allan]

Specifically, was the Home Secretary made aware of the 40 per cent. cut in the health budget? The chief inspector says that the

"standard of care being provided for some mentally disordered patients is not only clinically but also morally unacceptable and unsafe."

Does the Home Secretary accept that the new report and the report on Feltham young offenders institution show serious failures in the senior management of the Prison Service, specifically over allocation of budgets? Can he tell us whose head will be on the block if we find ourselves back here in two years' time to deal with a similarly shameful and depressing report on Wormwood Scrubs?

Mr. Straw: I have been responsible for the Prison Service since May 1997. I was not responsible for what happened before then. The hon. Gentleman asked whether I have a policy of asking no questions. Of course I do not follow that policy.

Miss Widdecombe: What are you going to do?

Mr. Straw: If the right hon. Member for Maidstone and The Weald will kindly stop twittering, I shall tell her that our policy on the Prison Service was set out clearly in our manifesto. Ministers, including me, will take responsibility for the Prison Service. As Secretary of State, I am responsible, as has been made clear in changes to the framework document.

It was always absurd to try to distinguish between policy and operations as though policy were some abstraction. Policy can be tested only at the point at which it operates. There is an agency agreement with the Prison Service. There is a broad understanding that I do not undertake to lock up the cells and check the walls every evening, but I am responsible to the House for what happens in the Prison Service.

I visit as many prisons as I can, and prisons Ministers make many visits. Since my right hon. and learned Friend Lord Williams of Mostyn became prisons Minister, he has visited 46 of them. I thought about visiting Wormwood Scrubs, but it is impossible for me to make an unannounced visit to any prison. Under the circumstances, I am not sure that anything would have been achieved by my visiting the prison. The hon. Member for Sheffield Hallam (Mr. Allan) will appreciate that even if I ask to see the worst part of a prison, I cannot be sure to undergo a profound learning experience, because everyone is on his or her best behaviour.

The 40 per cent. cut in the health budget was unacceptable, and it should not have happened. The Prison Service has gone through a significant process of reform. The Woolf report introduced many changes for the better under the previous Government, and I pay tribute to the right hon. Member for Maidstone and The Weald. However, prisons are difficult to run. The cut should not have been made, and we are putting matters right. My right hon. Friend the Secretary of State for Social Security and I have published plans for complete reform of the prison health service to ensure that it works more collaboratively and, in some cases, under the leadership of the national health service, as should have happened many years ago.

The hon. Member for Hallam asked about the serious failures of senior management noted in the report. The senior management at the prison, and those responsible nationally, have since changed. In response to questions about what will happen if there is a further failure to implement the report, I can say only that I do not want to talk about failure. The report must be implemented in full.

Mr. David Winnick (Walsall, North): The report highlights an appalling situation in one of our major prisons. On the point on which my right hon. Friend concluded, does he accept the danger that if changes for the better occur—we all hope that they will—there may be a slide back into the old ways after some time? It is alarming to think that the changes may not be permanent.

More generally—I do not refer specifically to the case of racial taunting and bullying by prison officers that the Home Secretary mentioned in his statement—should it not be clear to the minority of prison officers who persist in such behaviour, at Wormwood Scrubs or anywhere else, that it will lead to their dismissal?

Mr. Straw: My hon. Friend is right to say that it is always important in such circumstances to maintain the pressure for change. That is why, as well as asking the director general to report to me in 30 days, I have asked Sir David Ramsbotham to go back to the prison within six months to monitor progress. My hon. Friend is also right to say that the bullying and taunting of prisoners—racial taunting of prisoners of different racial and religious backgrounds and other taunting of prisoners of the same racial or religious group—is wholly unacceptable. Where it is proved, it will be followed in appropriate circumstances by prosecution by the Crown Prosecution Service and, where there is other evidence, by appropriate disciplinary action within the Prison Service.

Mr. Desmond Swayne (New Forest, West): May I tell the Home Secretary that while I will read the report with interest, the description that he gave in his statement is not of a prison with which I am familiar, despite being a regular visitor to Wormwood Scrubs for a number of years? I even wonder whether I have been visiting a prison on a different planet. While the Minister will have my support for stamping out any abuse and wrongdoing, will he exercise a sense of proportion and take care to remember that a prison must remain an unpleasant place to provide an incentive for miscreants to stay out of it?

Mr. Straw: Only the hon. Gentleman can speak for the planet that he inhabits, although sometimes some of us doubt whether it is the same one as the rest of us. In my judgment this question comes back to that raised by the hon. Member for Hallam. It requires the sort of forensic, unannounced inspection by a full team of, I think, more than a dozen inspectors turning up suddenly to find out exactly what is going on in a prison; and observing that for a week. Prisons are, by definition, closed institutions. It is extraordinarily difficult for outside visitors to find out the truth of what is going on in prisons. Also, as the inspector points out—I refer to this in the report—a lot of good work is going on in Wormwood Scrubs in particular areas of the prison and by individual prison officers. That

should be doubly applauded, given the difficult circumstances overall. However, it is not possible to read the report without coming to the conclusion that its recommendations are soundly based in fact.

Mr. Paul Flynn (Newport, West): Does my right hon. Friend agree that regimes of bullying and gangsterism are not confined to one prison? The endemic use of illegal drugs in prisons invites corruption, which is not confined to prisoners. Is my right hon. Friend not appalled that many people still go into prison as minor offenders and emerge as drug addicts? Will he take note of the fact that Sir David Ramsbotham said that 70 per cent. of women prisoners should not have been given a prison sentence? He has also drawn attention to the fact that many people who are being weaned off illegal, non-addictive drugs are put on highly damaging medicinal drugs, which may have resulted in two deaths. In one prison that practice resulted in a riot last August because almost the entire population was on sedation and it was a few hours late in arriving.

Our prison population will soon be one of the highest in Europe, and we have an atrocious record of diverting prisoners from future crime; so does my right hon. Friend really believe that prisons work?

Mr. Straw: Let me deal with my hon. Friend's last point first. Our prison population happens to be 122 per 100,000, which is at the higher end of the range of prisoner populations in European countries. One reason why we have that population is that we have a higher level of acquisitive crime than other European countries. If we want more criminals to be caught and punished—this is hardly a matter of party dispute—for as long as crime remains at its current level, the prison population is likely to go up, not down. For example, people who compare our prison population with that in the United States—that might have been implicit in my hon. Friend's comments—need to consider the facts. If our prison population, proportionate to our total population, equalled that of the United States, there would be not 65,000 but 320,000 people in prison.

In relation to my hon. Friend's point about women prisoners, apart from the relatively small minority of prisoners who are sentenced to custody for the first time because of the seriousness of the offence, the vast majority of prisoners enter prison, having had previous convictions, because the community punishments to which they were subject did not work to stop them reoffending. Prison numbers are partly a function of the relative failure of community sentences and of their enforcement.

Although I am pleased that the chief inspector has produced a very good report on Wormwood Scrubs, I do not agree that 70 per cent. of women prisoners should not have been sentenced to prison. As far as I am concerned, sentencing decisions are difficult; they are best left to independent sentencers—magistrates and judges.

The final point relates to drugs. Certainly, some bullying—though not all of it—is to do with drugs. My hon. Friend is wrong to say—the evidence is not there—that many minor offenders go into prison and emerge as drug addicts. A large proportion of offenders—especially for acquisitive crime—go into prison as drug addicts and are helped to come off their drug addiction.

As for the ingress of drugs to prisons, I hope that my hon. Friend applauds the fact that, in January, I announced a major tightening of the rules against the importation and smuggling of drugs into prisons, with a standard three-month ban on visitors who smuggled drugs and closed visits for those prisoners found to be in receipt of drugs—as well as other disciplinary action.

Mr. Douglas Hogg (Sleaford and North Hykeham): Does the right hon. Gentleman agree that grave concerns must be expressed about this statement, and that, in essence, there are two such concerns? First, the recommendations made in March 1997 were virtually ignored. Does he accept that there is ministerial responsibility for that? There would have been an action plan. It was the business of his Department—Ministers and officials—to ensure that that plan was fulfilled. Why was it not fulfilled? Will he please write to me, setting out the original action plan and, in respect of each recommendation, will he set out the extent to which each was implemented and, where it was not, why it was not implemented? Will he please also put that information into the Library?

The second concern is different but it overlaps the first. The truth is that we have learned of the shortcomings in Wormwood Scrubs only because of an unannounced visit. Does that not show that the monitoring of what happens in prisons is inadequate? Inspectors conduct a full inspection only once every three years or so. What is being done to improve inspections? Why was the board of visitors report not fully read and implemented by Ministers?

Is the Secretary of State satisfied with what has happened? Those of us who have served with the Prison Service—as Home Office Ministers—regard this statement as quite lamentable.

Mr. Straw: I hope that what is regarded as lamentable is the fact that I have had to make the statement—not the statement itself. I have already tried to explain why there was inadequate implementation of the report that was published in March 1997. As I have already made clear, I take responsibility for what has happened in the Prison Service since May 1997—including that failure. Of course, I shall write to the right hon. and learned Gentleman, as he requests—

Mr. Hogg: Item by item.

Mr. Straw: Yes, of course, I shall write to the right hon. and learned Gentleman item by item, setting out what has happened. As I pointed out, one of the changes that we made was to ensure that Ministers are responsible for the Prison Service, and are not involved in the pantomime in which responsibility was formerly shuffled between the director general and Ministers.

The right hon. and learned Gentleman refers to the unannounced visit. One of the ways we find out what is going on in prisons, which are necessarily closed institutions, is by unannounced visits by Her Majesty's inspector and his team. He has demonstrated what a valuable function he performs; that is why a proper inspectorate was established.

As for the board of visitors, I shall write to the right hon. and learned Gentleman in greater detail, but my recollection is that the board's 1996 report did not sound many alarm bells. The 1997 report did, but by the time it was received it had already been recognised that there had

[Mr. Straw]

to be a process of change. One of the changes that was made was the introduction of a new governor and a complete change of the senior management. One of the points made in the 1996 report was that there were no governor grade managers on any of the wings; that was palpably unsatisfactory and it has been changed.

Fiona Mactaggart (Slough): I congratulate the inspection team on the inspection, which has clarified a matter about which people were becoming concerned. I also congratulate the Home Secretary on proposing that an inspector should go back in six months to see what progress has been made.

Does not today's statement highlight the problems with the historic method of managing the inspection process, which are, perhaps, a hangover from the time when there was a division between policy and operation? When an inspection identifies matters of concern, as the 1996 inspection did, is it not necessary to have some closer form of management of the process of removing those concerns than has hitherto been the case? I do not think that the bang-by-bang approach of the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) is necessarily the right one; but do we not need some mechanism to ensure that, in future, when problems on the scale of those in Wormwood Scrubs are revealed, the process of managing the way out of them is closely supported, monitored and implemented?

Mr. Straw: I am grateful to my hon. Friend. The contents of the report highlight the importance of unannounced inspections. However good the day-to-day management arrangements that are put in place by the director general—and they are improving—there will always be a need for external inspection of prisons and for unannounced inspections as well as routine inspections.

It all comes back to the nature of the institutions: prisons are closed institutions. They deal with 65,000 of the most difficult people in this country, many of whom are, by definition, dishonest and deceitful and have lived chaotic lives. They are very ready to make any number of allegations against staff, a very large proportion of which are not provable or are wholly unfounded. What is needed are intelligent, experienced managers and good inspectors, such as we have, who can cut their way through those closed institutions and find the truth.

My hon. Friend is right to say that there need to be closer forms of management, and those have already been established. The deputy director of the Prison Service, Mr. Phil Wheatley, who works directly under the new director general, Mr. Martin Narey, whom I appointed, has full-time day-to-day responsibility for the operation of the Prison Service; and other changes have been introduced. I cannot promise that those changes will eliminate for ever the possibility of problems such as those found at Wormwood Scrubs recurring, but they should both greatly reduce that risk and ensure swifter follow-through when they do occur.

Mr. Humfrey Malins (Woking): The Home Secretary and I have visited a number of prisons over the years, and he knows that we can be proud of some of our best prisons. Equally, as a House of Commons, we should be ashamed of some of the worst prisons in this country, where conditions are extremely bad.

I have never been prisons Minister and I doubt that I ever shall be, but if I were, one of my first tasks would be try to ensure that prisoners were not locked up for 23 hours out of 24, a practice which has been far too prevalent for many years. I would also try to insist that every prisoner received a full day of education, training, constructive work and sport. In that way, we could move towards—*[Interruption]*—yes, toughness, but also a more humane and a better prison system.

Mr. Straw: I cannot speak for the hon. Gentleman's prospects as a future prisons Minister, unless he wants to follow—

Mr. Kevin Hughes (Doncaster, North): If he comes over here, we will see what we can do.

Mr. Straw: The Whip on the Treasury Bench—who should remain silent—issues an invitation to the hon. Gentleman. However, as it comes from my hon. Friend, I am not sure that even I would accept it. Everyone knows what Whips are like, Madam Speaker.

The hon. Member for Woking (Mr. Malins) is correct to say that it is unsatisfactory to lock up prisoners for 23 hours a day. To pick up a sedentary comment made during his question, the punishment is being sent to prison. Of course prisons should not be comfortable, but they should be humane. Much effort should be expended trying to make bad people better—which is in the interests of society and of the individuals concerned. For that reason, we are investing £660 million extra—above the base line left by the previous Government—in constructive regimes for education and drug rehabilitation, for example. We believe that that is the only way to ensure that the majority of prisoners emerge as better people with less chance of re-offending.

Mr. John Bercow (Buckingham): Given the Home Secretary's acknowledgement of personal responsibility for the past two years and two months of the 1997 report, and in view of his earlier assurance to the shadow Home Secretary, my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe), that he had received regular reports, can the right hon. Gentleman explain why progress has been so tardy? Is it because the reports were insufficiently clear, or were the reports abundantly clear but the Department was woefully inadequate in heeding the lessons that they contained?

Mr. Straw: No—it is more the former than the latter. I acted as quickly as possible on all reports made to me, as any sensible Minister would—particularly in view of the allegations that were made. Until the appointment of the new governor, everyone down the track in the Prison Service—at an area level and within the prison—kept reassuring each other that things were okay and that action was in hand. As I have said—I will send the information to the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) and it will also be placed in the Library—

Mr. Hogg: Item by item.

Mr. Straw: The right hon. and learned Gentleman is getting a better service from me than he got from his right

hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) when he was Home Secretary. I am glad to see that he acknowledges that fact.

Mr. Hogg: I am looking forward to receiving it.

Mr. Straw: Good.

Mr. Bercow: Do not leave me out.

Mr. Straw: I will not do that. People down the track were reassuring themselves that things were okay, partly because industrial relations in the prison were very difficult. The Prison Officers Association at Wormwood Scrubs got into a wholly unacceptable position of power, so the truth about what was happening did not emerge up the line. That is my reading of the situation. When there was better reporting of events, action was taken.

I have made it clear to the House that the change in the senior governor at the prison and the other changes that were introduced—not least following the appointment of Martin Narey as director general and Phil Wheatley as deputy director general—are designed to ensure that there is much greater accountability inside the Prison Service and better line management of institutions such as this one.

Financial Services and Markets Bill

[Relevant documents: The First and Second Reports from the Joint Committee on Financial Services and Markets, Session 1998–99, HL50/HC328 and HL66/HC465 and the Government Response thereto, HM Treasury, June 1999, and the Third Report from the Treasury Committee, Financial Services Regulation, Session 1998–99, HC73, and the Government's Response thereto, Fourth Special Report, Session 1998–99, HC347.]

Order for Second Reading read.

4.19 pm

The Chief Secretary to the Treasury (Mr. Alan Milburn): I beg to move, That the Bill be now read a Second time.

The UK's financial services industry is one of our country's greatest success stories. It accounts for 7 per cent. of our national wealth and employs more than 1 million people. The City of London is one of the three leading global financial centres and it is rightly renowned around the world for its innovation and integrity. It is home to hundreds of foreign banks; it is a major insurance centre, and it is the global leader in foreign exchange dealing and eurobond issue and trading—a position that the Government will protect. The London stock exchange is the largest trade centre for foreign equities.

The City therefore contains some of the most formidable financial expertise in the world, but the UK financial services industry does not relate only to the City of London. Increasingly, financial services are a key component of local economies throughout the United Kingdom. Edinburgh is the UK's second financial centre, and Manchester and Leeds, among others, have thriving financial sectors. The health of the industry is a matter of concern to the whole country. It is vital to Britain's future as a modern, enterprising economy competing successfully in global markets.

The sector matters to every business seeking capital to expand and create jobs. Indeed, it is the availability and efficiency of an increasingly wide array of modern, competitive financial products and services, ranging from pensions and insurance to securities and derivatives, that allows UK industry to raise capital effectively and competitively and helps to make the UK an attractive place in which to do business.

The financial services industry does not only serve the needs of business. Millions of ordinary people also rely on its services. The sector matters to every household with an insurance policy and every person who is saving for retirement.

The proper regulation of the industry is a matter of national significance. In supporting enterprise and providing funds for investment, the financial markets use the savings that millions of people entrust to the industry. Investors will not be willing to buy products and entrust their money to the markets unless they have confidence in the stability of those markets and in the integrity of the providers of the products.

Individual investors themselves cannot of course monitor the minutiae of the markets, so confidence depends in practice on there being a system of regulation capable of safeguarding the public interest. We all—as investors, as consumers and as businesses—have a shared interest in a regulatory structure that is fair, clear and, above all, accountable. It is no exaggeration to say that

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getting the most efficient and effective means of regulating the industry is key to its future prospects for growth in a global marketplace that is becoming more sophisticated and competitive by the day.

The Bill provides a far-reaching and long-overdue overhaul of financial services regulation. It establishes the Financial Services Authority as a modern world-class regulator for a modern world-class industry. The authority will operate according to a philosophy based on light-touch regulation with protection where necessary and fairness throughout. The Bill will reduce regulation and increase accountability. In place of nine regulators, there will be one. In place of eight dispute procedures, there will be one ombudsman. In place of five compensation schemes, there will be one. One-stop regulation will be better for practitioners and fairer for consumers.

Mrs. Margaret Ewing (Moray): Is the Minister aware that the Law Society has expressed concern that the Bill may result in double regulation in Scotland because both the Law Society of Scotland and the FSA will be involved in such regulation? Will he tackle those issues, particularly as a commitment to do so was given in the Scottish Parliament by the Deputy Minister for Justice, who does not want double regulation?

Mr. Milburn: I understand those issues and the concerns that have been expressed by the Law Society of Scotland and others. However, I remind the hon. Lady that the Bill is designed to effect new forms of regulation across the United Kingdom as a whole. The Financial Services Authority's remit will extend not only to England and Wales, but to Scotland and elsewhere, because we want common standards applied across the whole of the United Kingdom. As the hon. Lady is aware, there is a technical issue about whether amendments will need to be made to the Solicitors (Scotland) Act 1988, and if so, what the relevant procedures should be. We are in discussion with the profession, not just in Scotland but in England and Wales. We want appropriate regulation; we certainly do not want unnecessary and over-regulated authorisation procedures. We have already consulted about that. The FSA is in discussion with the profession in Scotland and elsewhere. I hope that, before too long, we can make satisfactory progress. I hope that that allays the hon. Lady's concerns and, indeed, those that have been expressed elsewhere—not just in Scotland but in England.

Mr. Tim Loughton (East Worthing and Shoreham): Will the Minister admit that he is talking about an effective retrenchment of devolution? Scottish lawyers who offer financial services, who until now have been subject to the Law Society of Scotland, will, under the Bill, be subject to the FSA, which is based in London—very far south of the Scottish border.

Mr. Milburn: No, that is a misreading of the position concerning devolution. I know that the hon. Gentleman follows these issues very closely, so I am surprised that, on this occasion, he has got it wrong. He will be aware that issues to do with finance are reserved for this Parliament. Given his position and that of his party, I should have thought that he would support that. There is no retrenchment on this issue. As the hon. Gentleman is aware, however, appropriate regulation of solicitors, accountants and other bodies must be sorted out. That applies not just in Scotland but elsewhere. I assure him that there has been no U-turn on that issue.

The Bill fulfils the promise that the Labour party made before the election, in its manifesto for business promise—a promise set in train by the Chancellor in his statement in May 1997. My right hon. Friend announced, alongside operational independence for the Bank of England, that a new regulator would be created with responsibility for supervising all aspects of the financial services industry. The Bill gives the FSA the statutory basis and powers that it needs to be the world's leading regulator of financial services. In so doing, it establishes a modern regulatory framework that will stand the test of time and apply into the next century.

Change of the order that we are proposing has taken both time and effort. I make no apology for that; we need to get financial regulation right. That is why the Bill is the product of thorough and exhaustive consultation. I know that in some quarters, the word "consultation" invariably produces some sighs of cynicism, but in this case, such sighs would be misplaced.

We published the Bill in draft at the end of July last year. We have undertaken further consultation on key pieces of secondary legislation that are to be introduced under the Bill. In total, 222 organisations responded to consultation on the draft Bill. I take this opportunity to thank each of those organisations for their contributions, not least because there has been such a positive response to our proposals. It is worth reminding the House of the breadth of support that the Bill enjoys.

The Association of Unit Trusts and Investment Funds said, for example, that it welcomed the overall aim of the Bill to simplify the regulatory structure. The British Bankers Association said that the introduction of a single legislative framework for the financial services industry in the United Kingdom was welcome. The Futures and Options Association said that it supported the Government's policy of rationalising and simplifying the structure for regulating financial services. The Association of British Insurers said that it fully supported the objective of a single regulator. The Consumers Association said that it was enthusiastic about the Bill and saw a variety of advantages in a single regulator.

That consensus for change has also included the Select Committee on the Treasury, which held a brief inquiry into the Bill over the winter. I thank my right hon. Friend the Member for North Durham (Mr. Radice), who chairs that Committee so assiduously, for its work. The consensus also includes the Joint Committee on Financial Services and Markets, which was established in March under the chairmanship of Lord Burns. I pay tribute to the Committee for its excellent work, and particularly to the leadership shown by Lord Burns. As hon. Members are aware, the Bill is quite complex and technical, but the Committee managed to respond in remarkable detail, to a very tight timetable. The Committee has made a major contribution to a major piece of legislation, and the Bill is better for its efforts.

The Government have responded positively to most of the Joint Committee's recommendations. We have made several key changes to the Bill, especially in relation to the accountability of the authority and the fairness and transparency of its enforcement procedures.

The establishment of the Joint Committee and the proposed carry-over of the Bill to the third parliamentary Session are historic developments for the House. They demonstrate our belief in the Bill's significance. Now, however, it is time to start making progress. That is what the City wants. It is what the industry wants. It is what consumer organisations want. The Government are determined to maintain the momentum so that, by spring 2000, subject to Parliament's approval, a full set of FSA powers will be on the statute book. We intend to make as much progress as possible on the Bill in this Session, with a view to carrying it over into the next. We hope that, by working co-operatively with other parties in the House, we can meet that timetable.

Of course, there will be differences of view about the changes that we are making to financial services regulation, but one thing should be clear from the outset—no change is not an option.

It has long been apparent that the overlapping and inconsistent regulatory structures under the Financial Services Act 1986, the Banking Act 1987, the Insurance Companies Act 1982 and all the other legislation in this area were not delivering the standard of supervision and investor protection that the industry and the public have a right to expect. For example, the old system under the Financial Services Act 1986 had two tiers, with regulatory responsibility split between the old Securities and Investments Board and self-regulating organisations. That split has caused confusion for consumers and regulatory overload for the industry.

In any case, the old regulatory framework has been overtaken by events. I say that for two principal reasons. First, in today's world of integrated global financial markets, the old distinctions between different types of financial institution are becoming increasingly blurred. Nowadays, banks, securities firms and insurance companies all play in the same pond. But while the traditional sectoral boundaries are disappearing, the old regulatory structures have failed to keep pace. The result is the worst of all worlds—heavy-handed and confused regulation, with more than one supervisor, all with different rules and procedures, seeking to regulate the self-same firm. That is not just a recipe for confusion; it is costly and inefficient and, ironically, it can dilute the impact of effective regulation. It works neither to enhance competitiveness nor to improve transparency.

Secondly, the system is complicated enough for experienced professionals. What chance, then, for the ordinary investor who is faced with a veritable alphabet soup of regulation—the PIA, IMRO, the BSC, the different ombudsmen, the different compensation schemes? The trust on which successful financial services must be based is undermined when there is so much overlapping and confusion.

Mr. Ian Taylor (Esher and Walton): Of course there is a great deal of merit in the simplification and codification of all these things, but the Minister talked about the global aspect and about individuals. Is he satisfied that the new framework can cope with the dramatic growth of electronic communications networks and, effectively, the ability to trade in any stock market in the world from the internet site on one's desk?

Mr. Milburn: Yes, I am. That is an important question. That is why the Bill seeks to introduce appropriate flexibility so that the Bill—once, with Parliament's approval, it is on the statute book—can stand the test of time. The hon. Gentleman might be aware that we have already consulted about certain exemptions from proposed legislation on financial promotions—legislation that is specifically designed to deal with the challenges that the internet and other forms of modern communication bring to the industry. I hope that appropriate flexibility is built into the heart of the Bill, in order to deal with modern challenges such as that. Those are challenges for the United Kingdom and for the industry worldwide. We can be proud our industry has adapted pretty well and that in some senses it is ahead of the game. However, it is important that we have a flexible structure that is not always tied down to specifics, so that legislation can anticipate precisely the future trends that the hon. Gentleman highlights.

Nor, as the personal pensions mis-selling scandal reveals all too clearly, has regulatory overlap prevented gaps from appearing in regulation. Clarity, accountability and transparency are the vital ingredients that are missing from the old regulatory framework. They are all the more necessary in the context of the pensions mis-selling scandal which so badly damaged the industry's reputation.

Of course the Government have taken action to find redress for those who suffered. To date, more than 401,000 people who were mis-sold a pension have been offered £2.7 billion of compensation by the industry. The FSA estimates that the final costs of redress could be £10 billion. However, the other impact, including the delay in offering people redress, has been on the confidence of ordinary investors in financial services products. Now more than ever they need to be confident that when they buy a financial product they will not face similar problems again. Investors also need to know that if they have a grievance, there will be simple, clear and effective ways of dealing with it. That is not the position under the law as it stands.

The old regulatory maze has not worked and is not sustainable. Both the industry and consumers deserve better. The Bill is designed to be fair to both. It will reduce and simplify regulation. There will be one regulator, one authorisation process, one compensation scheme and one independent tribunal. For the first time, too, there will be one set of objectives, functions and powers.

By simplifying and reducing regulation, the Bill will increase accountability. The creation of one powerful regulator must, of course, be balanced by the creation of new mechanisms to ensure that it uses its powers responsibly and accountably. The various consultations that the Government have undertaken have been particularly helpful. The changes that we made to the draft Bill strengthened the accountability framework under which the FSA will operate while allowing it to get on with the day-to-day job of effective regulation.

In the first place, the FSA will be accountable to Parliament and to Ministers. The Treasury will be able both to appoint and to remove its board. There are powers

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to commission statutory inquiries in the public interest. There will be an annual report from the FSA on how it has performed against its objectives and on other matters that the Government specify. Those reports will be laid before Parliament to aid scrutiny of the authority.

Secondly, the FSA will be answerable both to practitioners and to consumers. There will be an open annual meeting of the authority. There will be a majority of non-executives on its board. There will be a practitioner panel and a consumer panel, both of which will have to be consulted by the FSA and both of which will have a role in assessing the authority against its statutory objectives.

Those are not only necessary safeguards—they will help also to shape the nature of the regulatory regime for which the FSA will be responsible. There will be a light touch where possible and protection where necessary, with fairness throughout. The Bill avoids over-burdensome regulation that would serve only to stifle innovation and to increase consumer costs. Instead, it provides for regulation which is firm and fair: indeed, the FSA will be under a duty to demonstrate that the burdens that it seeks to impose are proportionate to the benefits that will result.

The Bill gives the authority effective powers to make rules and to enforce them, but at the same time it contains safeguards to protect individuals' rights and the principles of natural justice. A key part of our plans from the outset has been the new tribunal, set up by the Lord Chancellor's Department and run as part of the court service. It will be completely independent of the FSA, and the Bill provides a right to refer all the FSA's enforcement decisions to be considered afresh by it.

There is no question of the FSA acting, as some have alleged, as prosecutor, judge and jury. I should make it clear that the FSA cannot enter the premises of an authorised person without a warrant; nor will it benefit from the penalty income that it imposes; nor will it have powers to award itself costs. In other words, the Bill does not give the FSA the draconian powers that some commentators have rather mischievously suggested it does. Rather, the authority will have powers that are commensurate with the job that it needs to do. It will be accountable to Parliament and answerable to those whom it serves.

We are satisfied that the Bill is fully compatible with the European convention on human rights, and the Chancellor has signed a statement to that effect, as required under the Human Rights Act 1998. We have made changes to the draft Bill in light of concerns voiced by Lord Burns's Joint Committee, that the market abuse regime might be classed as criminal for convention purposes. We have listened to those concerns and have now included additional safeguards in the arrangements for imposing financial penalties when people abuse the financial markets. Today I can tell the House that we are publishing for consultation a draft order prescribing the markets to be covered by the new regime.

Clearly, there is a tricky balancing act to be achieved—between protecting the consumer and not hampering innovation and enterprise with excessive regulation. The consultation process has helped us get that balance right, not least by setting the FSA clear statutory objectives—market confidence, the reduction of financial crime, the protection of consumers and the raising of public awareness. That is a balanced portfolio that we will expect the FSA to reflect in all its work.

The objective relating to public awareness is a good example of the innovative way in which we envisage that the FSA will operate. Consumers enter into contracts for what may be complex financial products, often worth large sums of money, but about which they may understand precious little of the detail. However, not all users of financial products lack financial expertise—far from it. Many of them will be financial services practitioners themselves. In pursuing its objectives, therefore, the FSA must be proportionate. Clearly, those at the expert end of the consumer spectrum do not need protecting from their own kind, and to try to do so would be to over-regulate.

However, the vulnerability of some consumers in this sector is very real, as we all know from what happened with pensions mis-selling. Consumers need information so that they can make informed decisions to choose the most competitive products and the ones most suitable for their needs. That is why we have charged the FSA with the objective of raising consumer awareness, but that does not and should not remove responsibility from individual consumers for reaching decisions based on their own judgment.

Protecting consumers does not mean absolving people of responsibility for their investment decisions. It is of course the job of the regulatory system to ensure that customers have sufficient information to make an informed choice. Consumers have a right to that, but it is not the job of regulation to provide a guarantee that nothing can ever go wrong; sadly, it sometimes does. That is the balance that the Bill seeks to strike—a light touch where possible, and protection where necessary. The result will be a fair deal for the industry and for the consumer.

There is another balance to be struck. Modern light-touch regulation requires the industry and individual practitioners to look to themselves and to ensure that their own houses are in order. That is why, for example, the Bill takes a reserve power to regulate the sale of mortgages, but it will not be used without first carefully considering whether the industry's own voluntary code has been found wanting. We will regulate only if we are clear that that could make a difference to consumer welfare in a way that did not impose undue burdens on the mortgage industry.

I believe that that is the right approach. We look to the financial services industry as a whole to manage its affairs properly. Those firms that do will gain competitive advantage. Those that do not must know that they will face a regulator with real teeth. In particular, nobody should be in any doubt that we shall take a tough and resolute approach to City crime, malpractice and abuse. We have given the FSA proportionate powers to deal with those problems.

The Bill provides for modern, proportionate regulation, which will be firm but fair. In May 1997, when we first announced this approach, it was regarded by many as novel and by a few as unworkable. Two years later, it

commands almost universal support as the right model for a dynamic, fluid and competitive international industry. Indeed—

Mr. Jim Cousins (Newcastle upon Tyne, Central): I am extremely grateful to my right hon. Friend, and I am conscious that I am interrupting his flow. May I take him back to his reference to mortgages? He said that there will be a reserve power to regulate the provision of mortgages. He will be aware that many of his own hon. Friends would like that power to be used. So far, he has not referred to the provision of long-term care insurance, which is another important matter; nor has he referred to general insurance. It is not easy to separate the training, professional intermediaries and products that constitute long-term care insurance and general insurance on the one hand and those that will be regulated by the Bill on the other. Does he intend to clarify those matters?

Mr. Milburn: I am grateful to my hon. Friend for those questions. May I deal first with the point about mortgages? He will be aware that the Council of Mortgage Lenders has now produced its mortgage code. It has been pretty well adopted by the industry and we want to see whether it works in practice. We shall not just wait and see, but shall monitor the process. We shall take statistics and information not just from the CML, but from the ombudsman concerned. If my hon. Friend and others have concerns about the effective regulation of mortgages, the Government will be happy to hear them.

On long-term care insurance, my hon. Friend will be aware that both Lord Burns's Joint Committee and the royal commission recommended that we regulate for long-term care insurance. We are looking at those recommendations carefully, particularly in the context of the royal commission's report. In due course the Government will respond to the royal commission's report and it is important that what we say is in line with what we are doing in the Bill.

Finally, on general insurance, my hon. Friend will be aware that schedule 2 provides for the regulation of a number of areas that are currently unregulated, including general insurance. We want to see whether the industry's own efforts, through the new General Insurance Standards Council, can safeguard the public interest in the way that we want. We want to give that a fair wind and, again, we shall monitor how well the industry puts its own house in order.

In all those cases, we shall take action where necessary, but we want a regulatory system that is in line with the appropriate principles of light-touch regulation, which offers protection where necessary but does not impede effective regulation of the industry. I believe that that is the right approach. I also believe that the approach that we are taking in the Bill, through a one-stop arrangement, is one that others will seek to emulate. Indeed, others as far apart as Ireland and Japan are now following the lead that this Government established in May 1997 when we first announced our proposals for the Financial Services Authority. There is little doubt that the trend that we have started towards regulatory consolidation will intensify in the future to reflect the parallel changes that are taking place in the industry.

The UK is leading the way in defining a new form of regulation for financial services industries worldwide. This is a modernisation that is long overdue. It is part and parcel of the Government's modernisation programme for our country as we prepare to enter the next century. Our future prosperity as a nation depends on the good functioning of our financial services industries. They are growing, not diminishing, in importance. Their ability to compete successfully in tough and competitive world markets relies on modern, firm and fair regulation. The Bill will create a regulatory framework that will enhance the standing and the success of the UK's financial service industry. In the FSA, the UK will have a regulator that will command the confidence of industry, of practitioners and of consumers. The Bill will create a successful world-class regulator for a successful world-class industry. I commend it to the House.

4.50 pm

Mr. David Heathcoat-Amory (Wells): It might be thought that this Bill would appeal only to financial specialists, but it raises some important and broad issues of principle, including matters of human rights and the rule of law, the realities of international competition and the perils of over-regulation. It is therefore a substantial Bill that it is our duty to consider.

The Bill has had a somewhat delayed birth, despite its early conception in the weeks following the general election in 1997. I do not blame Ministers personally for that because several important changes have been made to the Bill and Ministers inherited a fluid situation. It now runs to 367 clauses, including 130 additional ones since it was first published. Bills have a tendency to expand the longer they are left, so on those grounds alone it is probably wise that we should legislate as soon as possible. Indeed, it is not the Opposition's intention to hinder unnecessarily the legislation in this House or in the other place.

The importance of the Bill is undoubted. As the Chief Secretary said, the financial sector is one of our biggest and most successful industries. It is a huge employer and generates colossal overseas earnings for this country. In many respects, the City is the largest international market in the world. When we talk about the City, we must be careful not to overlook the fact that financial services are transacted in every part of the United Kingdom, and the Bill will affect all those who buy and sell financial products. Also, Edinburgh is an important international centre in its own right.

The very success of the UK's financial services industry also makes it vulnerable. It is by definition operating in a very competitive global marketplace and the same forces that brought firms, banks and other institutions to this country could equally drive them away. They are highly sensitive to changes in taxation and regulation. We have been critical in the past about tax changes and we still want to know what the Government intend to do about the threat of the withholding tax to the City of London.

Regulation can be a deterrent, but when it is done well it can be an asset. We are anxious to ensure that the Bill sets in place a structure that provides a reason for people to come and transact business in the United Kingdom, not a reason for them to leave. Therefore, we believe that regulation should be minimal, but that is not an argument for no regulation or for weak regulation. Markets require rules. Some of the more brainless critics of the free market system allege that it is about the law of the jungle. That

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is the opposite of the case. There are no rules in the jungle, whereas the free enterprise system requires laws and rules. It requires defined property rights and it requires security of transaction.

We support the principle of a Bill that will provide for such a structure in this country. We support the aim of giving statutory cover to the Financial Services Authority. The authority badly needs that: it is operating with only partial secure legislative cover, which itself creates uncertainty in the marketplace.

Let me say in passing that we are not sure whether it is wise to transfer banking supervision to the FSA. However, as that has been done in the Bank of England Act 1998, and as we wish to move on, we shall not press the matter—although I hope that, if a systemic risk is posed to the banking system, the procedures for the FSA to co-operate with the Treasury and the Bank of England will prove adequate to the task. We certainly believe that the Bank had considerable expertise in this regard, and we are pleased that many of its staff have transferred to the FSA to do the same job.

With that proviso, we accept in principle the case, as advanced by the Chief Secretary, for consolidating a number of existing regulatory bodies. None the less, we have some major concerns. Overall, we want to ensure that the new regulatory system is an asset, and that it is effective in tracking down and dealing with dishonesty, while at the same time respecting the principles of British justice and providing fairness for the accused. In doing that, the FSA must be vigilant and not over-regulate. All public bodies have a tendency to expand their responsibilities, expand their powers and expand their expense. That is a natural dynamic in the public sector, but if it imposed extra costs on the marketplace and on savers, the consequences could be highly detrimental. The danger of what I call "regulatory creep" must be countered by the provision of safeguards in the legislation itself and the designing of countervailing pressures to stop that danger from becoming a reality.

How does the Bill shape up? The draft Bill published in 1998 was seriously flawed in a number of respects. In particular, it is now clear that that Bill could never have survived a challenge under the European convention on human rights—which, of course, is now to be incorporated into British law, giving members of the public a right to test its provisions directly in British courts without having to go to the European Court of Human Rights.

The earlier Bill was, however, a consultation draft, and it did provide the essential raw material for the Lords-Commons Joint Committee on Financial Services and Markets. The Committee was originally due to be set up in January and to report by Easter. In fact, it was finally formed in March. Despite the tight time scale on which it operated, and despite the delays, I think that it was an undoubted success. Much of the credit for that goes to its Chairman, Lord Burns, who conducted our proceedings so skilfully. I also thank the very able Clerks, who did a great job in creating and distilling the enormous amount of evidence, both written and oral, that the Committee received.

The Joint Committee had less than two months to complete its main report. That is why we concentrated on six areas, including the FSA's objectives, the scope of the legislation and the FSA's powers and procedures, as well as the knotty issue of market abuse and how that could be defined in legislation.

We were a little shocked—I think that I speak for a number of the members of the Joint Committee—when the Treasury suddenly landed on us another 100 clauses halfway through proceedings on the draft legislation. We were unable to examine them. To be fair to the Treasury, they were of secondary importance. Nevertheless, it is true that large chunks of the Bill remain completely unscrutinised, either by the Joint Committee or by any other Committee of the House. We will need to examine the Bill very carefully at every stage to ensure that the assurances that Ministers have given—in good faith, I am sure—are in fact reflected in the Bill.

I stress that the Joint Committee was a useful procedure. The House may like to do the same with other legislation. The subject lent itself particularly well to the procedure. It meant that, in a relatively unpartisan atmosphere, hon. Members could examine issues that did not fall naturally to one side or the other of a party political debate.

We noticed with regret that the Liberal Democrats hardly participated. I am glad to see the hon. Member for Twickenham (Dr. Cable) in his place now and look forward to listening to what he says, but it was somewhat surprising to us that the Liberal Democrats, who are usually so forward with their suggestions for innovative ways in which to scrutinise legislation, barely participated in the Joint Committee.

We had a stream of high-calibre witnesses, including trade associations, City practitioners, consumer groups, regulators, ombudsmen and lawyers. Indeed, we had two useful sittings with the Economic Secretary to the Treasury who gave the Government's view. Nevertheless, as I have mentioned, some matters still cause us considerable concern—I expect that I speak not just for Conservative Members but for Labour Members who participated, who may have their own points to put in due course. We will use the Standing Committee and Report stages to strengthen and amend the Bill in ways that we think are essential. I thank in particular my hon. Friend the Member for East Worthing and Shoreham (Mr. Loughton), the only other member of the Conservative party from the Commons on the Joint Committee, who brought particular City expertise to bear on the issues.

We were pleased when the Government announced that they accepted most of the Joint Committee's recommendations. As I mentioned, we will be vigilant in ensuring that they are actually carried through into the drafting, because there have been occasions when that was not the case. Solicitors, for example, noticed at an early stage that although they had received some assurances about the registration of their members in relation to their incidental financial advice, those assurances were not entirely carried through into the draft statutory instrument when it was published.

Our concerns about the Bill may be said to fall into two general areas. The first is the very wide power still vested in the FSA, and the danger that any concentrated executive power can lead to abuse. The second is the danger of over-regulation, with consequential damage to the United Kingdom's position.

On the first question—the FSA's power—a central part of the Joint Committee's second report considered whether the Bill was compatible with the European

convention on human rights, or, indeed, with the basic principles of British law. It is very easy to appreciate people's concerns. The FSA is a private company. It enjoys substantial statutory immunity and has wide powers of investigation. It is also able to deprive people of their livelihood, to levy unlimited fines and to keep that fine income. Very few other bodies enjoy that amount of power and authority. It is therefore very important that those powers, which in many respects are necessary, should be circumscribed and closely defined by Parliament, and that the FSA should be accountable for the use of those powers.

The Economic Secretary to the Treasury (Ms Patricia Hewitt): The right hon. Gentleman mentioned the proposal that the FSA should be able to keep fine income. Does he accept that the Bill provides that the FSA is required to rebate gross to the regulated community any income from fines imposed on authorised persons?

Mr. Heathcoat-Amory: Yes; I gladly accept that clarification of the position, of which I was aware. Perhaps I put the case in a rather shorthand manner, but it is still the case that the money will remain with the FSA—although, as the hon. Lady said, that will offset the fees levied on the regulated community. Whether that will satisfy all lawyers and observers is another matter; but certainly the Government have moved on the issue, as they have on others. I mentioned the matter only because it was critically commented on by senior legal figures, including an appeal judge. Therefore, the use to which the money will be put is an important issue.

The FSA sometimes, in some evidence sessions, took refuge in assurances that it would always use its powers reasonably. I believed the FSA's chairman and senior executives when they gave those assurances—I have a very high regard for those executives whom I got to know during the proceedings—but that does not entirely satisfy participants in the market, who may be on the sharp end of the FSA's powers of investigation and prosecution. Many institutions and individuals will be dealing with comparatively junior FSA members, and they want to know that those good assurances will be fully reflected in the FSA's working practices at every level.

Another point is that people at the FSA could change and the regulatory environment could alter. Happily, we are in a situation in which, generally, those who have bought savings products have seen them do quite well. Generally, we are enjoying a bull market. However, those who legislate have to consider the possibility that the atmosphere could change completely. If the stock market or the property market went into a prolonged decline, the atmosphere would alter, and those who had bought savings products could feel resentment or feel that they had been mis-sold those products. They could look for people to blame, and the FSA could come under pressure to look differently at those who originally sold the products in good faith.

It is therefore important that we include those good intentions in legislation, and limit and define the powers that we expect the FSA to deploy.

Mr. John Greenway (Ryedale): My right hon. Friend is touching on one of the Bill's most important aspects—learning lessons from the past. Does he agree that those who give advice and conclude business have to know that, at the time they do so, that advice and business complied with the regulatory regime? Only in that way will there be no question of retrospective judgment on the quality of the advice given or the product purchased.

Mr. Heathcoat-Amory: Yes; my hon. Friend endorses my point. It is always tempting, with the benefit of hindsight, to revisit decisions taken and perhaps alter judgments made in good faith.

The Government accept many of these observations, and there is genuine intent to put the safeguards into law. That will certainly be our intention in Committee. The Government's first shot at the Bill was seriously at odds with the requirements of justice. I do not know whether that was due to mistaken legal advice or because they did not fully recognise or understand the implications of adopting the European convention on human rights, but they have moved on a number of those issues. For example, the financial services tribunal is to be given more status and independence, which I welcome, but several senior legal figures had grave misgivings.

It might help hon. Members if I draw attention to the evidence given by Lord Hobhouse, who is an appeal judge. He picked up the point, which was raised by one of my hon. Friends, about the international dimension and the possibility that savings products could be sold on the internet or electronically; indeed, people in other legal jurisdictions could somehow come under the Bill's provisions. He was also concerned that there was not sufficient clarity or certainty in the part of the Bill relating to market abuse. He summed that up in these words:

> "All those things when one adds them together add up to a scheme for punishing people who may be abroad, who may not be taking any active part in any market in this country, who have not done anything illegal, whose conduct is innocent, who are under no duty to act where they are accused of failing to act and nevertheless punishing them for such conduct."

That was some of the most devastating legal evidence that I have ever heard being given to a Committee of the House and, because of it, the Joint Committee went on specifically to examine the compatibility of the draft Bill with the European convention. I happily acknowledge that the Government moved on that issue, and the market abuse provisions will now apply to a more narrowly drawn category of market participant. The Chief Secretary said that an announcement on that was due today.

The right to silence—or the fact that compelled evidence should not be used in subsequent proceedings—is to be clarified, and those accused of market abuse will be eligible for a form of legal aid. In other words, the safeguards of the criminal law will now apply to that part of the Bill—I welcome that—but my hon. Friends and I are still concerned that the offence of market abuse is still not clear. What is now clause 95 is still, in many respects, quite dangerously ambiguous.

The Government have responded by saying that they will not be relying entirely on a clause in the Bill to define market abuse but will be relying also on a subsequent code, which is still to be published. That is all very well, but a general problem is that too much of the Bill will

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depend on subsequent rules published by the FSA or subsequent regulations published by the Treasury as secondary legislation.

Mr. James Plaskitt (Warwick and Leamington): Does the right hon. Gentleman believe that, in a market as dynamic and global as that for financial services, it is possible to have a watertight definition of market abuse?

Mr. Heathcoat-Amory: I accept the part played by secondary legislation, and I certainly do not suggest that all the matters covered by the Bill should be dealt with in primary legislation. Legal witnesses have observed, however, that if someone is to be prosecuted, he must know where he stands and must be certain of what rules he may have broken. As the House must judge the effectiveness of the clause on market abuse, it would be highly desirable if we could see the codes of conduct and the secondary legislation—even in draft—before we proceed much further.

In too many respects the Bill is merely a framework. We must think about what may occur subsequently before we take an overall view. I hope that the Government will accelerate publication of draft legislation so that we may take a full view. The same applies to the FSA. More than 20 consultation papers have been published, though fewer than five have received responses. We remain in the dark about the totality of the powers and rules to be exercised by the FSA.

Should the Government get the Bill wrong on European convention on human rights matters, the consequences would be extremely serious. We can say little this afternoon about that hurdle—the Government erected it and they must jump it because they incorporated the convention into British law. Whether the Bill complies with the convention remains a matter of legal dispute. I hope that the Government are right, because a successful challenge to the Bill could torpedo almost the entire regulatory system.

We are concerned to ensure that the Bill's powers are balanced by fairness. Several past cases were brought to the Joint Committee in which regulators had used their powers in an overbearing or arbitrary way. We were not able—indeed, it was not our duty—to inquire into those cases, but we are concerned to ensure that there are safeguards in future. If something has gone wrong in the past, we must ensure that it does not happen again. Some of the cases were disturbing, and we should keep them in mind as we consider the Bill.

We wish to examine in particular the idea of statutory immunity, the granting of which by Parliament is a serious matter. The police do not have statutory immunity; nor do doctors, or the Serious Fraud Office. However, we are giving immunity to the FSA. There is a case for some statutory immunity, but I am less sure that the Bill is exactly right in providing the FSA with immunity from prosecution while it acts in good faith. That does not cover examples of negligence. The Bill does not give the complaints investigator—to some extent an alternative to prosecution of the FSA—powers to grant compensation. If, through negligence, the FSA causes financial loss to an institution, the complaints investigator should be empowered to grant monetary compensation.

The Joint Committee believed that the FSA should not be accountable to Parliament only through a Minister. We need to find a way to make the FSA accountable in some respects to Parliament itself—perhaps to the Treasury Select Committee or to an ad hoc committee constituted for the purpose.

The Joint Committee also suggested splitting the role of the FSA's chairman and chief executive. That suggestion was not directed at the present incumbent, Mr. Howard Davies. It was suggested that after he relinquishes his office, future chairmen and chief executives should be two different people, which would act as a check on any unnecessary concentration of powers and would strengthen the position of the chief executives on the FSA board.

That suggestion met with opposition from existing members of the FSA, but I note that the Hampel committee on corporate governance, which is a successor to the Cadbury committee, recommends splitting those posts in corporations of any size. Perhaps it is at least arguable that what is desirable and urged on private industry by the Government should also apply in the public sector. Again, that is an issue to which we shall undoubtedly return.

I have already mentioned over-regulation and costs, but I want to stress that this is not merely a question of the competitive position of the United Kingdom; it is also about creating a genuine savings culture among the population at large. As for the City and the United Kingdom financial services industry in general, they require and deserve that the FSA should report regularly on compliance costs that it could be transferring to them through additional regulation. Those matters should not only be calculated but reported on at least annually in aggregate and also in comparison with jurisdictions in other countries. We also believe that competitiveness, or competition, should be elevated from a principle under which the FSA operates to one of its objectives. That would be one of those countervailing forces to the regulatory creep to which I referred.

The dangers of excessive costs do not apply only to the industry. If we are to create a real savings culture as an alternative to the welfare culture, it is important for people on all income levels to invest and buy savings products. If the result of over-regulation is to make doing so more expensive, it will have the opposite effect.

We have been critical of the Government on savings. We criticised the £5 billion a year raid on pension funds that was a feature of their first Budget in 1997; we criticised the abolition of tax-exempt special savings accounts and personal equity plans; and we criticised the fact that the 10 per cent. threshold for income tax would not apply to savings. If the Bill leads to any increase in costs for savers, it will certainly be a further blow to savings. If that happens, it will not only deter savers from saving but will put them off seeking good financial advice.

To some extent, the signs are already not entirely encouraging. The Law Society of Scotland pointed out that the FSA proposes that a sole Scottish solicitor practitioner should be charged a minimum £1,000 for authorisation with the FSA, compared with the existing charge of £135 levied by the society. That is a proposed increase of 640 per cent. If that is replicated in other parts of the savings and financial services industry, the results will be extremely serious.

We have already heard an intervention from the now deserted Benches that are usually inhabited by the Scottish National party. I was interested, but not entirely reassured, by the Chief Secretary's answer. It has been pointed out—indeed, it was emphasised by my hon. Friend the Member for East Worthing and Shoreham—that, on the face of it, financial services regulation will undergo a form of reverse devolution. Matters that are currently handled by the Law Society of Scotland will now come south to London. I do not know whether that was the intention, but it has not been explained to those north of the border.

Indeed, further confusion was engendered by a debate in the Scottish Parliament last week. The Bill, which applies to the whole of the United Kingdom, will require amendment to the Solicitors (Scotland) Act 1980 and also to Scottish bankruptcy law. However, those are matters for the Scottish Parliament. In that short debate last week, the Deputy Minister for Justice in Scotland seemed to imply that those changes to Scottish legislation would be made not by the Scottish Parliament but by this Parliament. Will the Economic Secretary clarify that matter when she replies to the debate? We do not want the Bill to become a wrangle between the two Parliaments. We gave many warnings that, if two Parliaments were set up in a unitary state, such confusion and overlaps would be created with, at best, the possibility of ambiguity—at worst, there could be confrontation between two Parliaments, both of which felt that they had jurisdiction in the matter.

Mr. Loughton: Not only will great resentment be created if those Scottish legal and financial practices have to send large amounts of money south to London to pay their membership fees, but the fixed membership fees and charges that my right hon. Friend mentioned will hit smaller firms disproportionately. That can give only two results: either the costs will be passed on disproportionately to the consumer, or many of those businesses will withdraw from the market altogether and there will be less competition and less choice for the consumer.

Mr. Heathcoat-Amory: My hon. Friend is right. Just as all taxes are eventually paid by individuals, so too charges and fees are eventually borne by the saving public. An escalation in fees will deter the very savings habit that we all want to encourage.

I have said enough to show that we shall not oppose the Bill's Second Reading. We have several deep-rooted worries about it, and our suggestions for its improvement will be tabled as amendments. In respect of timing, we shall not unnecessarily delay the Bill, if it is true that the Government have accepted the recommendations of the Joint Committee and have implemented all of them in the Bill. If that has been done, as we have been assured, there is a good case for the Bill to go to Committee in short order and to be carried over into the next Session of Parliament without having to start the process all over again in November. The Bill has already been delayed enough, and there is considerable uncertainty in the marketplace. We certainly want to improve the Bill, but we shall not impede it.

In conclusion, it is in the interest of all hon. Members that there is a regulatory system that serves the market and all who buy and sell in it. Let the House, and the Government, reach out for a regulatory system that will be the asset to the United Kingdom that I have already urged. The system should be the scourge of wrongdoers, but, at the same time, a model of how to balance effectiveness with fairness. If that is the Government's aim, the Bill certainly has our support.

5.29 pm

Mr. Barry Sheerman (Huddersfield): Since the general election, the Labour Government have introduced a large number of constitutional reforms. Some would say that, through the Select Committee on Modernisation of the House of Commons, one of the most revolutionary changes has been the innovation in which many of those present in the Chamber this afternoon have participated: the pre-legislative inquiry, especially one of both Houses of Parliament. I had the privilege to be the deputy Chairman of the inquiry into the Bill before us. A Member of Parliament is asked to do all sorts of things, some dull and boring, others exciting and challenging. Participation in the pre-legislative inquiry fell into the exciting and challenging category.

We should not underestimate the revolutionary nature of such an inquiry, for in many ways it upsets our traditional methods. Some of us are sick to death of the yah-boo element in the House of Commons—one builds up a certain distaste for it after a while, even while continuing to participate when necessary—but the inquiry offers a process whereby at least two cultures are blended. Working with Members of the upper House was an education, because their approach to Committee work differs from ours: they were surprised by our approach, and we learned a great deal from theirs.

The experience was a valuable one. If I want to stay on-message, I should not say this, but it should be acknowledged that some of the hereditary peers gave the Committee excellent quality advice that I would not have wanted to be without. I am sure that, in due course, we shall find new sources of high-quality information. However, for the sake of honesty about the quality of the debate, it has to be said that knowledge in the upper House of how this country's financial institutions work is of greater quality than that of the lower House. That is due to the breadth of experience available in the upper House, especially on the academic side, such as that of Lord Eatwell, Lord Poole and others.

We had an interesting time. The mix of the two cultures was productive and we gradually learned to work together in a positive manner—even more positive than I have experienced on Select Committees in the past. There was a task in hand that we had to achieve in a relatively short time: we were given two months, extended by an extra month to examine the Bill's compliance with the European convention on human rights. Politicians will go on as long as they are allowed to, so even if we had been given six months, we would have said that there was not enough time. However, the discipline of having two months plus one struck me as sufficient to enable the job to be done.

There is one caveat, which was strongly expressed by Lord Burns, whose chairmanship I greatly valued. I do not know whether he was gamekeeper turned poacher, or poacher turned gamekeeper, but it was interesting to see him struggle with the change between the two roles, which at times had to happen quite quickly. I am sure that some of the parliamentarians taught him a little in that

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respect, although he taught us a great deal in terms of technique and tactics. Our approach to the task was constructive: we had an end in view and a timetable to keep, and we got on with the task.

Those of us who had spent more time dealing with industrial concerns than with the City became far more aware of the importance of the Bill. Not one of us failed to learn something of great value about the contribution that the financial services sector makes to the life of this country. That sector contributes at least 6.4 per cent.—and probably more than 7 per cent.—to national income in terms of gross domestic product. It employs 1.17 million workers, although that is probably an understatement. If we compare that with the 21.5 per cent. of gross domestic product that flows from manufacturing industry—I must always make that point—which employs 5 million people, we can see how important the City and the financial institutions and services are to this country.

The challenge is to ensure that we introduce regulation that delivers the right environment that allows the industry to grow. It is a fascinating industry because it will grow only with good regulation. It will not grow without regulation because that is an essential quality of the United Kingdom, and of London in particular. One does not always win arguments about what language should be in a Bill, so one derives quiet satisfaction when an amendment that one really wants is accepted. I was most grateful when my fellow Committee members said that an environment of integrity is important to the workings of the City of London. That reputation for good regulation, honesty and integrity on the part of all who [illegible] in the City makes all the difference.

Things will go wrong in any complex area of our economy. Pensions mis-selling is one shadow of the past, and some of us remember well what the Maxwell experience did to the City. Morgan Grenfell was another unfortunate experience, as was the Bank of Credit and Commerce International. Any large sector must learn from five or six such episodes. In some ways, the regulatory system that we are introducing in this Second Reading has benefited from the failures of the past. The incoming Government knew—and the seeds were sown with the previous Administration—that there had to be a dramatic change in the quality of regulation. Achieving a market of integrity was a prime concern.

This is a particularly unique sector. An Opposition Member who knows a hell of a lot about information technology and electronic communications—and who is not in his place at present—pointed out that we are introducing a regulatory regime at a time when the industry has never moved so quickly. There is an accelerating pattern of change in all our lives—and it is particularly fast in the financial services area. It is a global market. Instant transactions can be made electronically, which means that London and Britain—this country benefits from our use of the English language and our financial expertise—has a wonderful opportunity. We must make every effort to ensure that this fine industry grows and expands.

At the same time, we must be aware that regulations that are set in concrete will not measure up. A financial services authority must have the flexibility to move quickly and to change in order to respond to enterprise. This is a very enterprising sector—but those who would make mischief are also enterprising. If a regulator cannot move quickly, the mischief makers will not be caught. We must strike that fine balance between the needs of an expanding industry and the need for flexible, quality regulation.

Before I refer to the nature of this Bill, I point out that we must get it right. I have been in the House long enough to have seen an awful lot of bad legislation passed. I acted as a shadow spokesman on home affairs in the proceedings on several large criminal justice Bills. They were awful, and the Administration had, with a red face, to abandon large sections of many of them. I do not want to mention particular instances—some were mentioned in the Special Standing Committee. On two or three occasions, I was the Opposition spokesman on prevention of terrorism Acts. That legislation was originally introduced in haste by a Labour Government, and experience demonstrates that much of it was wrong.

Much ordinary legislation is, despite every effort, poorly conceived, thought through and delivered. The process undergone by this Bill is a great contrast. The draft Bill was introduced in July 1998; the period of consultation on the Bill was extended and, as the Chief Secretary said, there were 240 responses. The Select Committee on the Treasury held a short inquiry, followed by a Government response to the consultation process and the establishment of the Joint Committee.

Hon. Members should not forget that the House of Lords Delegated Powers and Deregulation Committee had a valuable input into our report and expressed wise opinions. The Joint Committee report was published two months later and the Government then responded to it. They asked us to extend the Joint Committee's work to assess the Bill's implications for the European convention on human rights. The Government then responded to that assessment. All that happened before Second Reading.

This is complex legislation and we want to get it right, and I cannot think of anything more that could have been done to achieve that. The Bill has been through an excellent process, and I hope that the Government and all successive Governments will learn that it is a model for a better way to deal with complex legislation. This Second Reading is, therefore, a milestone, and I hope that it will be a beacon—if I may mention beacons—in legislative performance. I hope that many other Bills undergo such scrutiny to the same effect.

I do not want to go back over ground that was properly covered in the opening remarks of Members on both Front Benches. We all know that the Joint Committee decided to specialise—we considered particular accountability and statutory objectives and principles. We had amusing and interesting debates about what is an objective and what is a principle, which is more important and whether they should be listed in alphabetical order or prioritised. We think that we got it right in the end.

The Joint Committee also did a great deal of work on discipline, enforcement and the tribunal. We concentrated on six areas. I fear that the only people who will read our reports will be those writing PhD theses about 20 years from now, but they will find that we made a substantial difference.

Working parliamentarians understand the issues arising from legislation because they immerse themselves in them. I am concerned, however, because I read in the so-called serious press comments about our work which

were totally inaccurate and often superficial. One newspaper attributed to the right hon. Member for Wells (Mr. Heathcoat-Amory), who opened the debate for the Opposition, remarks that he did not make in the Joint Committee. *The Daily Telegraph* inaccurately reported the remarks of the Chairman of the Joint Committee, which he then had to correct in a letter to that paper. The tone of commentary, particularly in *The Daily Telegraph*, was superficial. The City editor and his journalists could not have run their stories had they read the material and acted professionally. That is not a total condemnation of the media; one or two people read the stuff and wrote reports on the basis of what was said in Committee rather than what was suggested.

A report in *The Times* said that our Committee's two main recommendations—after all the time taken—were to split the job of chairman of the Financial Services Authority from that of chief executive and to bring mortgages into the proposals. The inference was that, since the Committee failed on those two matters, it had wasted its time. Nothing could be further from the truth. If one reads the recommendations, one finds that the Government have responded to the majority of them—the serious stuff—and changed the Bill in the right direction, which all members of the Committee appreciated.

I say in passing that, as I sat through discussions on the posts of chairman and chief executive, I did not regard the issue as a priority. It is an issue that perhaps would be nice to consider following the retirement or moving on of Howard Davies; it was not seen as one of the matters on which we would go to the wall.

The Government have responded very positively on mortgages by including in the Bill the possibility of addressing the issue later. We will not have to return to primary legislation. Given a fair view, the issue may be revisited if the structure and code do not work. So, let us sometimes say what really happened in a Committee and not what some journalists imagine happened.

A long time ago, I used to be a member of the Public Accounts Committee, before which civil servants were hauled and intensely questioned. Committee members would try to wrong-foot them and embarrass them. Another revolutionary aspect to this Committee's approach was that we did not play such games. We ran the Committee like a seminar. Given that, when I worked for a living, I was a university academic, people may say that that was a result of my malign influence, but that was not so. The Committee decided that proceedings would be run like a seminar and that six—or even eight—people would join us to give evidence and participate.

Without looking around the Chamber at places to which I should not even allude, rather unusually, six or eight senior people from the City, the regulatory world, the ombudsman's office and elsewhere contributed to a positive discussion, and intervened on each other. Indeed, even the person in charge of the Bill from the Treasury and those from the FSA intervened in the discussion. What a different, innovative way in which to approach the legislative process. It was excellent, and achieved results.

There was a quiet satisfaction when we saw that the Bill, especially as amended, met with increasingly wide acceptance. Of course there was some variance on some parts; everybody wants a little more than he is going to get. Indeed, I received a very nice letter from the Consumers Association only on Friday, suggesting other changes. It will of course have an opportunity to continue lobbying when the Bill is in Committee. It is amazing to think that we are only about to begin that process. Although there is still an opportunity for change, there is a fair degree of acceptance that this important Bill goes in more or less the right direction. We should be reasonably content with that.

Of all those who gave evidence, no one objected to or found a problem with the notion of a single regulator. No one wanted to defend the old method of self-regulation, because it was not really self-regulation but what was described as "a self-regulatory process". The broad view was that we wanted to move to a fully statutory system.

Very strong voices also argued that we should include practitioners and consumers, to give them a real hold on the Bill and the FSA. I believe that, as a result of all our recommendations and everything that happened during our investigations, the role of the consumer and the practitioner were enhanced. I believe that practitioners and consumers went away fairly content with the changes that they had managed to persuade us—and that we had managed to persuade the Government—were along the right lines.

To conclude, I admit that one journalist got it right on 30 April, after we had completed our investigation and publicly launched our report. The leader in *The Independent* that day said that we had improved an entirely practical and relatively enlightened piece of legislation and helped to turn it into a practical and workmanlike piece of legislation. I believe that we have helped the Bill to be the Bill that it should have been—the Bill that it wanted to be—although the legislative process was difficult. I do not believe that we have created a bureaucratic monster, but I take what the right hon. Member for Wells said about watching the FSA grow and seeing how things work.

The test of any regulatory body is how it carries out its task from day to day. In this instance we have had a great deal of experience, because the FSA, under Howard Davies, has been operated under the previous legislation, albeit in a rather contrived way. At least we have something on which to make a judgment. I believe that many of us feel reasonably content about those early months of practice.

I think back to the experience under the previous Administration of setting up the Environment Agency. I applaud many of the things that have happened in the overarching Environment Agency, but real problems with the agency have not yet been sorted. I am sure that we shall not have a similar experience with the FSA.

The Bill has the makings of good legislation. It is a vital piece of legislation, so I was delighted to hear the right hon. Member for Wells say that, provided certain standards and criteria were met, the Conservatives would accept its carry-over to the next Session. The new FSA must be in place if we are to face the next century with a regulatory system that will allow this important industry to grow.

The focus on one ombudsperson is also important. Many of our constituents are very confused about what happens when they want to complain about their pension or insurance policy—or perhaps, some day, their mortgage. We have all met people in our advice surgeries who have been the casualty of poor financial advice that they were given more than 30, or even 40 years ago.

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People visit me and say, "Mr. Sheerman, I worked for a certain well-known company in the town"—perhaps an engineering company—"and I thought that I was in a good pension scheme, but the only thing that that pension delivered was the difference between getting any state benefits and being in the poverty trap." Over the years, many people have not been given enough good-quality information on which to take the important life decisions that affect every aspect of life—on pensions, mortgages and long-term care. I believe that the regulatory system that the Bill will erect will be flexible enough to ensure that such good-quality information is provided.

I especially like that part of the Bill which ensures that the FSA gets out there and helps to educate the British people. I sometimes say, having something of an environmental interest, that we conduct lifecycle analysis for products, but it is time that we conducted lifecycle analysis for human beings, because the decisions that people take early in life can change—and sometimes warp—their opportunities for the rest of their life. Financial services are especially important in that regard. Anyone who makes the wrong choices early on, as a result of being given bad guidance and advice, gets a pretty rough deal later on, in terms of a happy retirement and much else. We did not spend a great deal of time on that part of the Bill which relates to the provision of financial information, but I feel passionately that it is very important.

5.56 pm

Dr. Vincent Cable (Twickenham): I want to express broad support for the Bill, whose philosophy and whose architecture of financial regulation reflect a broad consensus. I appreciate the extent to which there has been broad and extensive consultation with practitioners and with Parliament, and the fact that the Government have responded to very many of the anxieties that have been expressed.

My reservations—I shall raise them in Committee—relate primarily to the exclusion of mortgages. As the hon. Member for Huddersfield (Mr. Sheerman) has just explained, there are reserve powers in the Bill and that omission may well be rectified; but that omission sends wholly the wrong signal at this stage by defending the rather discredited principle of self-regulation in the one area that is almost certainly of most concern to most of our constituents.

There are broad areas of consensus. I do not believe that any hon. Member present would argue either of the two extreme philosophical positions on financial regulation. No one is arguing for an increasingly severe, more onerous and dirigiste system of regulation. Equally, no one is arguing for laissez-faire. Quite properly, the right hon. Member for Wells (Mr. Heathcoat-Amory) drew attention to the fact that the liberal market approach to financial services involves a rules-based system, not a free-for-all.

There are major market failures, which are broadly recognised. In what are loosely called the wholesale markets, the main aspect that requires regulation is systemic weakness. History is littered with examples of one unsound or corrupt institution dragging down many soundly managed and safe institutions. Regulation is necessary to prevent that from occurring. However, as I believe the Government now acknowledge, that should be done on a light-touch basis. In their response to the Joint Committee on Financial Services and Markets and others, they acknowledged the need to ensure that compliance costs are comparable to and competitive with those of other financial markets. I believe that that point is understood and non-controversial.

In many ways, the most important area covered by the Bill is consumer protection. I believe that we all share the view that the biggest abuses often occur in the consumer markets. They occur because of a vast disparity and asymmetry between the bargaining power of people selling complex financial products and that of consumers. Consumers are often ill informed—for a very good reason—about products that can be understood only with a great deal of specialist expertise. Much abuse takes place in those markets.

So strong regulation is needed—strong regulation which retains the principle that, ultimately, purchasers are responsible for their own actions, and which does not increase compliance costs to such an extent that poor consumers are forced out of the market by the additional costs of regulation. I believe that the balance in that area has been roughly struck.

I have not sensed a great deal of philosophical difference between Government and Opposition regarding the Bill.

On the architecture of regulation, I acknowledge the consensus that we do need a unitary regulator, and that it was wasteful and inefficient to have a substantial number of separate regulators and ombudsmen. That is a helpful advance. In the Select Committee, we tested in some detail the argument that the differing requirements of the wholesale and retail markets should be reflected in the structure of the regulator. Some of the academic witnesses argued in favour of having two separate systems of regulation that maintained that distinct philosophy. The issue was pursued to exhaustion and I think that at the end of the process we all accepted that it made much more sense to keep the regulatory structure intact under one roof.

The hon. Member for Huddersfield talked about the many stages of pre-legislative consultation in which the Government were involved. That consultation and involvement was commendable. It is part of a wider process of improving legislative scrutiny. I was severely over-extended as a result of simultaneously trying to participate in the pre-legislative scrutiny of this Bill and in parallel efforts to deal with the Immigration and Asylum Bill and other measures. In passing, I reassure the Conservative spokesman, the right hon. Member for Wells, that in the next Parliament, when Liberal Democrat numbers more accurately reflect our party's strength in the country, he is more likely to be outnumbered than he is to be pining for our company, as he was in this instance.

One of the key issues that emerged in our discussion related specifically to the legal issue in respect of human rights. It is essential that the Government correctly determine that issue. I have been slightly taken aback by some of the comments of those in the City, which in some instances have come near to implying that the London dungeon has been reopened for normal business and that people in the City will be racked for their financial activities. That is hardly what we are discussing.

Those of us who are non-lawyers have always wondered whether the legal system is far too lenient towards those who perpetrate fraud. Many of us think that on a commonsense basis there is much to be said for testing whether prosecution should take place and thereafter considering whether harsh penalties should be imposed. The somewhat ambiguous wording at the end of the Joint Committee's report on human rights implies an understanding of that dilemma. However, we want fraudsters to be prosecuted and penalised severely. That may conflict with a demanding test of human rights legislation. We understand the dilemma with which Treasury solicitors are grappling.

I have referred to the areas where we enjoy broad common ground. I shall now say a few words about the area in which I think the Bill is deficient and where there lies an important issue of principle, which is mortgage regulation. The Government have been subjected to conflicting advice. The Council of Mortgage Lenders and the Financial Services Authority, for administrative reasons, have been anxious to keep mandatory regulation of mortgages out of the Bill. However, there has been—this should be recorded—substantial pressure in the other direction. The Consumers Association has argued strongly for mortgage inclusion from the outset, as have the Financial Advisers Association and some banks and building societies, which see no reason for being exempted at this stage. I shall set out some of the reasons why I think that the Government are making a mistake in this instance and why they should, perhaps, rethink their position.

First, the Government's position will undermine much of what the Bill is designed to achieve. Instead of unitary regulation, banks—at the early stages, at least—will be responding to two separate sets of regulation. There will be a self-regulatory system and another system for other aspects of their business, which will involve the FSA. The Government's position appears to contradict their confidence that a statutory system of regulation is appropriate.

There are many severe market abuses perpetrated by some of the largest players. I am sure that right hon. and hon. Members are familiar with these abuses, from their postbags. For example, the system of repayment penalties is extremely onerous in some instances. I have nothing against the National Westminster bank and I bank with it, but its system of compensation penalties involves about a third of the loan. Extremely large penalties are imposed on customers who for good reasons wish to pay mortgages early.

As for building insurance—new competitors in the market are pointing this out rather brutally—there is about £1 billion of over-charging as a result of linkage between mortgage lenders and building insurers. Many mortgage protection products offer very bad value. It is reported that on average a 40 per cent. commission is paid on mortgage protection products. There are excessive linkages in endowment policies. That is a longstanding problem with the mortgage industry. There are also arrangement fees.

At the bottom end of the market there is something akin to loan sharking for non-status borrowers that operates with little regulation. That system that should be brought within the regulatory framework as a matter of priority.

In practice, because self-regulation has been put in place, large lending institutions may be happy to see individual financial advisers put into the dock for serious mis-selling—for example, the excessive promotion of inappropriate endowment products. However, many of the problems relate to the big lenders. That is why they should be regulated rather than allowing them to regulate their own industry.

Many of the problems in the mortgage market relate specifically to the extent to which it has been demutualised. That is an issue that we shall be pursuing in the Treasury Select Committee over the next few weeks. New forms of banking competition have come into the housing market and as a result many of the players are trying to widen their margins. They have to pay dividends, whereas mutual lenders do not. This is giving rise to many practices that are disadvantageous to borrowers.

In some respects the code is probably not satisfactory. The Council of Mortgage Lenders has done its best to produce one. To take a simple example, there is no league table, as there is for pension funds, of performance. The results of such a simple test should be available to consumers. I hope that the Government will think again. Clearly we shall be examining these matters in Committee. The right signal will be sent—I do not think that there is an enormous gulf between us on this issue—if it is clear to the mortgage lending industry that it will be subject to the same degree of supervision as other players in the market.

Mr. Loughton: I am interested in what the hon. Gentleman has to say. In a way, it is a shame that he was not able to elaborate on his comments in the Joint Committee. During three months of intensive sittings he made two cameo appearances of half an hour each, I believe. As for the inclusion of mortgages, how does he think that the Financial Services Authority will be able to cope with 1.4 million mortgage transactions a year? An enormous number of staff would have to be taken on. How can the hon. Gentleman give an opinion at this early stage on the voluntary code set up for the Council for Mortgage Lenders, which has already brought about many successes, all of which he has conveniently forgotten to mention?

Dr. Cable: The hon. Gentleman has made several points. If he were a member of the Select Committee he would know that I dealt extensively with the mortgage regulation issue during the cross-questioning. The hon. Gentleman referred to 1.4 million mortgages. Regulation would operate through a series of test cases. It is ludicrous to imagine that every mortgage transaction would be subject to individual regulation. Of course that would not happen. There is already a bureaucracy within the mortgage lending industry. It is a voluntary one, but it exists. I think that it is implied in what the Government have been saying that the transfer will take place, be it in six months or 12 months. I am arguing for it largely because of the signals that we need to send to the industry that the transfer takes place now. I do not see the gulf that the hon. Gentleman is describing.

I have already had a fistful of critical comments from the various players in the City about the Bill. We shall come later to our proposed amendments to it. Like the Conservative Opposition, we shall approach the issues constructively. There is no reason to hold back the Bill. I hope that the Government will do what they have already done to a commendable degree: listen to the criticisms that emerge and seek to improve what is already a well above par piece of legislation.

6.9 pm

Liz Blackman (Erewash): The importance of financial services to the United Kingdom's economy and the high standing of that sector in the global context have been well rehearsed in the Chamber this afternoon. It is essential that the sector should be seen to function efficiently and properly. In recent years there has been damage and some loss of confidence as a result of bad practice.

There is no better example than pensions mis-selling. Such scandals not only affect the standing of financial services but ruin the lives of people who, in the case of pensions mis-selling, saved and invested in good faith, determined not to rely on the state. The Government are to be congratulated on tackling that abuse, but some of the pensioners concerned have already died and some have not yet been compensated. For those people, the torment and worry have been incalculable. There has been widespread recognition that change was necessary, and the Bill and the setting up of the Financial Services Authority have been the response.

I remind the House of the case of the Child Support Agency. No one disagreed with the principle, but the legislation was deeply flawed, with the result that the lives of many women, children and men have been severely damaged. That will continue until new legislation comes on stream. The problems with the CSA in its current form are due to the lack of consultation and pre-legislative scrutiny.

The right hon. Member for Wells (Mr. Heathcoat-Amory), the shadow Chief Secretary to the Treasury, described the original draft Bill in July 1998 as deeply flawed, and did so again this afternoon. However, the draft Bill was clearly intended as the start of a process that would produce much more effective legislation. Indeed, the right hon. Gentleman acknowledged that the process has been useful.

I read in this month's edition of *Securities and Investment Review* that Howard Davies had described the progress of the draft Bill as taking the scenic route, which I think is a pretty good description, and it is right that that should be so.

My hon. Friend the Member for Huddersfield (Mr. Sheerman) described the scenic route that the Bill took—as it moved forward, the Government offered their response. Not only did the Bill move into the Joint Committee, but responses from the Select Committee on the Treasury and other Committees were taken on board.

Much has been said about the Joint Committee and its role as a prototype. It achieved incredible results over a short period and enjoyed excellent cross-party co-operation. As a relatively new Member in an entirely new set-up, I was struck by the genuine desire on the part of all members of the Joint Committee to get the Bill right. That is extremely important.

The shadow Chief Secretary displayed a positive attitude towards the Bill this afternoon. I read in a newspaper—I know that I should not believe everything that I read in newspapers—that he said that it had rather restored his faith. For those reasons, the Opposition agreed to the carry-over, which is remarkably helpful in dealing with legislation of this magnitude.

I pay tribute to the Chairman of the Joint Committee, Lord Burns, who was exceptional in the way in which he handled the Committee and ensured that we met our tight deadline.

At the heart of the Bill is the objective of consumer protection and the principle of caveat emptor—buyer beware. That means that the consumer cops it if things go wrong, so he or she should take reasonable precautions. I welcome the fact that the Bill recognises the distinction between the wholesale and retail sectors of the market. I particularly welcome the acknowledgement that, within the retail sector, there are vulnerable consumers and also consumers who are much more able; and the fact that the vulnerable consumers need good advice and accurate information for their protection.

The accountability of the FSA is crucial, and the consultation process has been extremely helpful in strengthening it, in the ways that my right hon. Friend the Chief Secretary outlined earlier. It is right that Treasury Ministers should appoint board members and apply Nolan standards, that the majority should be non-executive, that there should be consumer and practitioner panels, that the FSA should have regard to their representation—it is essential that those two wings of the financial services spectrum be represented—that the chairmen of those panels should be subject to Treasury approval, and that an annual report should be published.

In cases in which the FSA has acted in good faith, it should have immunity, provided that complaints procedures are strengthened. The Government have acknowledged that the investigation of complaints should be effective and independent of the FSA. The FSA is therefore required to maintain an independent investigator, whose initial appointment and its renewal are subject to Government approval. That is absolutely right.

The FSA annual report is clearly important for the transparency and accountability of the authority. The Bill does not require a report on regulatory burdens and compliance costs, but the Government expect the FSA to take them on board and would not hesitate to use reserve powers accordingly. We should all be concerned to ensure good value for money.

With regard to discipline and enforcement, the Government acknowledged in March that internal disciplinary processes lacked fairness and transparency, and that the FSA would be able to act as prosecutor, judge and jury. There clearly needed to be a separation between those investigating complaints and those responsible for decisions. The Government responded by ensuring that investigation would be separate from enforcement, and that the adjudication tribunal would be part of the court service.

With reference to costs and fines, the Government accepted the recommendation that each side should bear its own costs, so as not to deter firms from defending themselves, but that the tribunal should have broad discretion to award costs. Checks and balances will operate. I believe that the Government's conclusion on fines is right: they should be rebated to the regulated community, so that there is no incentive to maximise fine income. Consultation will follow. I favour arrangements to even out the volatility.

The last aspect to be considered by the Joint Committee was the nature of the civil justice regime and how that would sit with the European convention. Lord Stein's comment that

"the new regulatory system must be just and must protect convention rights but . . . in order to serve the interests of the public it must be effective"

was a principle reflected in the Government's response to our deliberations on the disciplinary regime.

Discipline is clearly confined to a regulated group. The Government therefore argue that it is a civil matter, and take a pragmatic approach to it. The Government's legal opinion was extremely helpful in providing case law that was quite convincing in support of their approach.

On market abuse, I am pleased that the Government have recognised that they are in danger of venturing into criminal territory, and have provided additional safeguards to ensure that those being prosecuted are covered in that respect.

I, too, am concerned that mortgages are outside the scope of the Bill. Buying a property is the biggest financial transaction that most people make in their lives, and the range of products on the market is increasingly complex and confusing.

I was worried about the investigation carried out by Suffolk trading standards officers earlier this year into the implementation of the voluntary code. Their findings were appalling. I am encouraged that the Government are reviewing how the code is working, and I know that they will look not only at the Council of Mortgage Lenders but at information from the ombudsmen. However, will they also consider asking a sample of trading standards departments to check the effectiveness of the mortgage code? That would be extremely useful. I congratulate the Government on agreeing to publish the review, as promised to the Treasury Select Committee when we carried out our inquiry.

The Government have taken on board a considerable amount of feedback and recommendations. I congratulate them on the extent to which they have consulted and on the model that they have set up for consultation on such large Bills. I slightly disagree with the right hon. Member for Wells, who said in his concluding remarks that the Bill had been delayed for too long and that he looked forward to its Committee stage. The Bill has not been delayed; it has deliberately taken a scenic route to ensure that it is as robust as possible. The impact that it will have on the financial services industry and on individuals will be significantly improved as a result.

6.22 pm

Sir Nicholas Lyell (North–East Bedfordshire): I am glad to take part in this debate and to share in the welcome for the Bill. I approve of the way in which it has been brought before the House, with examination by a Joint Committee of both Houses before its final publication. I welcome the changes that have been made.

However, we should not underestimate the magnitude of what the Bill does. It is a blockbuster Bill, which will give to a single organisation the powers of nine current organisations, eight ombudsmen and five compensatory schemes, all rolled into one. That is an extremely big task. To a substantial degree, the Bill has an enabling structure. It contains some necessarily elaborate and complex schedules, and a great many regulations will be created following its enactment to establish an effective structure.

I, too, pay tribute to the work of the Burns Committee, but its work was necessarily focused and limited. I was not a member of that Committee, which I understand focused on six different issues. A significant number of other issues need to be examined in Committee, however, and if I find myself participating, I hope that I will be able to help in that examination.

I shall do no more than touch on a number of significant points today. The Burns Committee rightly focused on the human rights aspect, and the Government have gone a significant way to explaining their position and meeting some of the fears. We shall have to return to the question of human rights. Today, however, I want to point out that the Government—and this applies to any Government—are ambivalent towards human rights. They do not seek to deprive people of human rights: they simply wish to hold all the cards. Be it at the Treasury or at the Department of Health, the Government seem to go for the civil or the criminal method depending on which gives them the better cards.

In the area of financial regulation, the Government believe—and I think they may be right—that the civil structure is the more desirable. I am glad to see that, as a result of the Burns Committee's recommendations, they have added some safeguards to the Bill. However, we shall wish to scrutinise carefully how those safeguards will work, because the difference between civil and criminal in this area is highly technical.

I speak as a practising barrister. Now that I am free to do so, human rights is one of the fields in which I practise. Through my professional work—I declare an interest in this respect—it has come to my notice that the Department of Health, for example, is taking the criminal route and seeking to give enormous powers to the Medicines Control Agency and to reverse the burden of proof on to those who are regulated by the agency, so that they must prove that what the MCA has done is unreasonable. That puts the cards in the Government's hands because the MCA is an offshoot of the Government.

The Treasury has its own offshoot under the Bill and is putting a great deal of civil power into the hands of that new regulatory body. We shall want to scrutinise carefully what it has done. Having read some, although not all, of the advice of my learned friend Sir Sydney Kentridge, I feel that the difference between criminal and civil depends to a considerable extent on European Union law and cases dealing with doctors, financial advisers, and so on, which are held to be regulatory. When we examine this matter, we must look at the substance, not the shadow.

Clauses 24 to 27 deal with the enforceability—or rather, the unenforceability—of agreements. Although I should like to do further work on this matter, I think that we are going down a dangerous route in the Bill, which says that, if a provider is unauthorised, its agreement will be unenforceable. That is dangerous because in the financial world there are sharks on both sides of the fence: there can be shark providers, but also shark purchasers. Rich men and women across the world trade with the City of London, or with any regulated organisation. If their investments, which are necessarily and properly risky, go wrong, they will look for ways to get out of their deal. They will look for technical errors that render the deal unenforceable.

I hope that the Government and their officials will look again at this matter to see whether a wiser course is perhaps not to make things completely unenforceable but to make them unenforceable except by the leave of the court. I hope that the Minister is taking this point in. That means that justice will be able to prevail in each individual instance.

I am not making a small point. I am talking about confidence in the City of London. If the City of London is governed by a regulatory system which means that

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sharks who do business with it can get out of their bargains too easily, we shall lose confidence in our system. I simply flag up that point for further consideration.

The question has arisen whether the chairman and chief executive of the Financial Services Authority should be the same person. We should continue to keep that question carefully under review and revisit it. We are talking about high-calibre people. We have a chairman and chief executive, for whom I have a high regard, who obviously has his own notions about how he will steer his ship. My comments are in no way personal to him. However, as the years have gone by, I have formed the view more and more strongly that nobody should be unanswerable to somebody else. Everybody should be accountable and everybody should have to look over their shoulder. Although much is said about accountability—as it is about transparency and modernisation—the meaning is not entirely clear.

There is a considerable advantage in having a chief executive, however good he is, who also has a chairman to whom he must answer, and in having a chairman who, however excellent he is, has a chief executive whom he has to control and for whom he is responsible. The advantage of having the two, especially when setting up a large and complex organisation such as the FSA—made up of nine different organisations headed by high-calibre people dealing with sophisticated concepts—is that the City, those regulated by it and those outside it, especially independent financial advisers who can work in small firms, have in the chairman somebody whom they can approach with their anxieties but who, if he is not instantly responsible for the issues, can take them up with the chief executive so that the system can work better. The cleverest people in the world cannot do everything, and dividing the jobs would make the structure of the organisation stronger.

During the Bill's progress, we should consider the question of the degree of immunity. On the whole, I favour giving immunity to a body such as the FSA. If such a body does not have immunity, the difficulty is that it is always wondering how much a decision will cost it, which leads to inhibited regulation. The organisation must not be above the law and it must be possible to obtain an injunction against it, but it could be asking too much of it to require that it must always be careful not to cause damage to a financial institution—the damages could be enormous.

I made a similar point in a speech in 1981 about Lloyd's, of which I was a member at the time and in which I declared an interest. I was in favour of its having immunity, although I have considered my position sometimes since. I still think I was right, because although Lloyd's has run into difficulties since, they were not so much structural as in the interstices of the organisation.

In the 20 years I have been in Parliament, we have greatly increased regulation of the financial market, but we have not improved the documentation that goes to the consumer. I have recently been reading mortgage documentation for a member of my family. Mortgages do not yet fall under the system in the Bill, but whether documentation is for a mortgage—in this case, with a market leader—or something else, the Plain English Campaign has made it easier to realise what one does not understand. The documentation is cross-referenced and it is difficult to find a single piece of paper that sets out the key elements of the bargain. One finds aspects of the bargain that leave even a commercial lawyer like me scratching his head. When I ring up to try to ask a question, I do not get a very satisfactory answer. We know only too well what someone who is not a commercial lawyer, or otherwise familiar with the financial market, does with such documentation: they do not even attempt to read it. They are right not to do so, because they would become completely befuddled.

It is a good challenge for the new organisation, its chairman and its chief executive to try to simplify the documentation. I recommend following the example of the national conditions of sale for house purchase, which provide on one or two sheets of paper a number of essential and standard clauses. The price of the house and other details are on a separate sheet of paper. It should be possible for almost every commercial contract to have standard clauses that will apply, with non-standard clauses in special type or on another sheet. At the moment, the documentation is grossly over-complex.

The Bill will give us an opportunity to make the improvements I have mentioned. We have much to scrutinise and I look forward to taking part in that. I wish the Bill well, but we have a lot of work to do.

6.36 pm

Mr. James Plaskitt (Warwick and Leamington): As many hon. Members have said, the Bill has followed an interesting route to get to its Second Reading, which has shown how good the pre-legislative process is: it is a better Bill as a result. That is not only because of the work of the Joint Committee, of which I was a member, but because of the speed with which the Government responded to our proposals, and their willingness to accept our points.

The nature of the debate in the Joint Committee was healthy and constructive. The debate tonight is beginning to resemble those in the Joint Committee in its character and constructiveness. However, the Joint Committee did not have enough time. As a consequence, there are some aspects of the Bill that it should have considered but did not. I personally regret that we did not have time to make more international comparisons and find out more about other regulatory regimes.

The process was constructive and will provide a useful model for other Bills. It was good for the Bill and good for Parliament. I echo the comments of the right hon. Member for Wells (Mr. Heathcoat-Amory) in praise of the Clerks. The Joint Committee had to absorb an extraordinary amount of information and we had to complete reports at short notice. The processing of our work was always done on time and the results came back to us with impressive rapidity. The excellent Clerks who served that Committee cannot have got very much sleep during the eight weeks for which we were in session, and I hope that they have caught up with it now.

The Bill is large, comprehensive and important and, although it also deals with some narrow and complex financial services issues, we must not lose sight of its importance. It is an important Bill for an industry that plays a crucial role in the health of the UK's economy, and it is an important Bill for consumers—the millions of individuals whose financial health depends on

good-quality financial services and proper regulation. That makes the argument for good regulation, which is as much in the interests of the companies which make a living providing the services as it is in the interests of the consumers whose future living depends on the vitality and security of the industry.

The industry comprises many large and wealthy institutions, although it is volatile, with much merger and acquisition activity. The biggest players are global, and the products that they bring to the market are dynamic and, in many cases, highly sophisticated. In such a climate, it is difficult, as the Joint Committee came to appreciate, for the regulators to keep up with the nature of the market—and if it is difficult for them, we should realise how difficult it is for the consumer, who is in most instances far less well-equipped.

Moreover, the trends in the financial services market are global. During its evidence sessions, the Joint Committee heard a great deal about the need to safeguard the competitiveness of the City of London as a financial centre—and rightly so—but we also heard a fair few grumbles from companies about possible over-regulation. We heard stories about companies which, for a large number of days in the year, had to meet compliance requirements, or contained regulators engaging in some sort of activities. That struck some of us as rather negative.

I was not really convinced by that, because I think that competitiveness depends on sound regulation. We should reflect on what the impact of too many big scandals in our financial services would be on the competitiveness of the City of London. It would deter companies from being here—let alone the damage that it would do to consumer confidence.

I think that we are in line with many other major financial centres around the world. If anything, the regime introduced by the Bill may strike us as being a little on the light side when we look at some of the other major financial centres. I wish that we had had more time to engage in such instructive work in the Committee. In the United States, for instance, the Federal Reserve is busy sharpening its supervisory focus on the top 20 US banks, because it is worried about systemic risk. Part of the reason for that is the fact that the top 20 own 80 per cent. of the assets of the banking system.

The Federal Reserve is continually monitoring management information in all those banks. It has direct access to their internal audit processes, and—usually on a daily basis—inspects the credit-risk models that they employ. That contrasts with some of the action that we expect the FSA to take, and we should bear it in mind when considering whether the Bill amounts to over-regulation. Indeed, some analysts of the United States market are now saying that the regulatory climate in which certain big US financial companies live is more akin to that inhabited by public utilities than to that of private sector corporations.

The core of the Bill is intended to tidy up our regulatory structure. I think everyone recognises that we currently have too many different regulators. The present situation is costly, inefficient and confusing. I do not think it surprising that most companies that gave evidence to the Committee approved of those core measures, and the introduction of the one-stop regulatory regime.

Nevertheless—although the Bill does that, and also brings a good many bodies together under one roof—important aspects of financial services are not included. Some—such as mortgages, long-term care and certain features of insurance—have been mentioned today. We have discussed mortgages in some detail. It has rightly been said that they constitute one of the biggest areas of the public's involvement in financial services, in that they represent a long-term commitment, along with savings and investments in private pensions. It is therefore important for the public to have confidence in the regulation of the mortgage business.

Mortgage products themselves are increasingly complex. It is becoming harder for consumers to make choices. Some 1.8 million new mortgages are taken out each year; there is a large turnover, and a lot of new purchasing. For two years the Council of Mortgage Lenders has operated a code of practice, but we have already discussed in the House whether it is sufficient, and we have heard evidence of problems with it. I think that we should expect the inclusion of mortgages in the remit of the FSA before long, and I am pleased that the door is open for that. Clearly, the FSA will have to expand if it is to deal with mortgages: it will need to recruit. I think, however, that it may be able to transfer expertise, rather than having to start from scratch.

Understandably, debates such as this tend to concentrate on practitioners, but the consumer has a considerable stake in the Bill. I think that the position of consumers will be greatly enhanced, as good regulation is clearly in their interest. The FSA has a consumer panel, and, as a result of pre-legislative scrutiny, the panel's role has been strengthened. It has been made a statutory requirement, and the appointment of the chair is subject to Treasury approval. That provides an important extra guarantee of independence from the FSA.

As I said in the Committee, I am still worried about the panel's budget. The panel is starting life with a budget of £420,000. I was pleased with the FSA chairman's commitment that the budget would be considered early in the FSA's operation, once its statutory basis had been conferred—but there is an important reason why I think the panel may be under-resourced.

The Bill specifies one of the FSA's objectives as raising public awareness of financial issues. That is an important objective, but, given that the FSA is putting £1.5 million into it, while the consumer panel is receiving a third of the amount, I feel that there is a bit of a mismatch. I should have thought that the panel would have a role in helping the FSA to deliver its obligation, and I hope that it will be more involved in that work before long.

Consumer confidence will also be helped by league tables. I am pleased to note that, as a result of the Bill, we expect more league tables to be brought into play by the end of next year, to help consumers make informed choices about the financial products that they are buying. That will be useful, alongside CAT—charges, access, terms—standards for individual savings accounts and, eventually, for stakeholder pensions. All that will increase consumer confidence, which in turn will boost the United Kingdom's reputation and that of the financial services and products that we provide.

Accountability was another important subject of the Committee's deliberations. It, too, is crucial to both practitioner and consumer confidence. After all, the FSA

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will be one of the most powerful financial regulators in the world. It has the status of a private company, limited by guarantee, and, as has been said, it enjoys statutory immunity from suits for damages. I am sure we all understand why that is the case, and should continue to be the case. Nevertheless, some companies expressed fears that the FSA might be prosecutor, judge and jury, and in that context many issues surfaced in regard to whether it complied with the European convention on human rights.

I think we have established, as a result of the improvements in the Bill that have arisen from the Committee's work, that those fears are unfounded. The Treasury will inspect the FSA's economy and efficiency. The authority will have to publish an annual report, including an auditors' report. There is to be an independent investigator. We have established that the tribunal is one of first instance. There is now no incentive for the FSA to maximise its fine income, and there is a far greater and clearer separation between discipline and enforcement. I hope that the industry will find all that sufficient to offset its initial worries about the FSA's statutory immunity.

It is worth pointing out that statutory immunity is quite common in such supervisory regimes. It applied to the Bank of England when it performed those functions. It is also worth remembering that the FSA is not immune from acts of bad faith, criminal prosecution, judicial review and, of course, challenge under the European convention on human rights.

Pre-legislative scrutiny has improved the regime in relation to market abuse. The industry cannot now argue convincingly that there is too much uncertainty about what constitutes abuse. In any case, it is crucial to have strong deterrence against market abuse; it is one of the essential purposes of the regime. Like all other aspects of the Bill, it is in the interests of consumers and companies alike.

Current criminal sanctions are not sufficient on their own; they cover only a limited range of defined abuse such as insider trading. It is clear that the anti-abuse regime needs to be broad because of the dynamic and constantly moving nature of the market, but, as we have already established in the debate, it is right that practitioners should know where the boundaries of abuse lie—hence the code of market conduct, which will be an important document for all practitioners.

As a result of our pre-legislative scrutiny, we have improved the degree of certainty and clarity. The industry should be reassured about that. We have established that the Bill provides an absolute defence where a person engages in behaviour that the code specifically states does not amount to abuse. Furthermore, where someone can prove that they took due care, their subsequent conduct will not be deemed abusive.

In their latest response to the report, the Government have given an undertaking that the code will be supplemented by further explanatory information, all the time trying to improve clarity and certainty for practitioners, so the accusations or fears of double jeopardy and so forth have been exaggerated. Today, we have heard from the Government that even further clarity will be offered. That will no doubt receive the attention of those who serve on the Standing Committee.

We have managed to succeed in keeping a breadth to the anti-abuse regime, which is essential, while improving its certainty and clarity. It will always be a balancing act. It will be difficult to get it absolutely right, so the code of conduct will have to be kept under constant review as markets and products change.

Overall, we have erred generously towards the interests of the industry. The only people worrying are those who may consider sailing close to the margins of abusive behaviour. They are the people who should worry—that is how it should be.

All in all, therefore, the Bill contains a coherent model and constructive regime. It will be good for consumers, the industry, the City of London and the United Kingdom economy.

6.53 pm

Mr. John Greenway (Ryedale): I am grateful for the opportunity to contribute to the debate.

I begin, as the hon. Member for Warwick and Leamington (Mr. Plaskitt) did, by saying that there is no question but that the debate is crucial to everyone in the country: not only consumers but our financial services industry. The Chief Secretary to the Treasury reminded us that we have a world-class industry. Indeed we do, but we should remind ourselves that it became world class because of the regulatory regime in the City of London. Despite difficulties in the retail sector, the general regulatory structure that we have enjoyed in the City—as my hon. Friend the Member for Arundel and South Downs (Mr. Flight) knows from daily working experience—has enabled innovation to flourish and brought to London major centres of banking and insurance, and an increasing number of financial services from not just Europe, but throughout the world.

The all-party group on insurance and financial services, which I have had the fortune to chair since 1992, has had numerous meetings with the industry and market, and received many representations from them over quite a number of months. I say genuinely to those hon. Members who have contributed who were members of the Joint Committee that the industry's view is that they have done an extremely good job. It is much more relaxed than it was perhaps six or nine months ago. There is still some apprehension about what the rule books will look like and how the new regulatory regime will work in practice, but it is fair to place on record the industry's gratitude for the work of Lord Burns and his Committee of members of both Houses.

The representations and meetings that the all-party group has had have been, as they are by nature, rather more informal. I sometimes wish that we had the resource of the clerical assistants that the Joint Committee has had. None the less, the group has had an interesting exchange of views and has helped to bring progress on the Bill to where it is today: it is much improved.

I want to speak mainly from the perspective of my long experience of working in the insurance and financial services industry, which has gone on since 1970, when I left the police. I worked for Equitable Life and National Provident Institution, which have both been much in the news lately in circumstances that, when I was working for them, no one would possibly have considered likely, but that is how things move on.

Since 1973, I have been an independent financial adviser and insurance broker. Even since being elected to the House in 1987, I have retained a directorship as both an IFA and insurance broker. I am president of the Institute of Insurance Brokers. More important in terms of what I will discuss, for eight years, I have been an elected member of the Insurance Brokers Registration Council, the regulatory body for insurance brokers. I am currently the council's treasurer.

The Bill still leaves uncertain the regulatory arrangements for the independent sector, whether IFAs, intermediaries in the general insurance market or insurance brokers. I want in all genuineness to convince the House that, although my comments will clearly be influenced by special pleading—it would be impossible for them not to be because of the experience that I have had—equally, I plead for a clearer regime for consumers. At the moment, we have a recipe for confusion. We are still a long way off from being satisfied that the consumer interest has been adequately protected.

The hon. Member for Newcastle upon Tyne, Central (Mr. Cousins) asked the Chief Secretary about mortgage and general insurance regulation. I understand entirely the motivation for wanting to retain a self-regulatory approach in mortgage advice. I understand the objectives of the general mortgage code and, equally, the philosophy that lies behind the request for the general insurance industry to find a more comprehensive regime.

Therefore, on principle, I should like to make it clear—particularly to my hon. Friend the Member for Arundel and South Downs—that self-regulation is undoubtedly to be preferred. Nevertheless, in advice on both mortgages and general insurance, we have to face up to the fact that significant hurdles will have to be overcome if we are to achieve a satisfactory self-regulation regime.

One hurdle will be the major concerns about enforcement. In the general insurance market—particularly among insurance brokers and intermediaries—there is real anxiety that regulation will become merely a distribution tool, with standards being enforced and discipline imposed by withdrawing agency. Currently, such withdrawal underpins the mortgage code, as lenders will end one's ability to arrange mortgages if one does not comply with the code. Although some might think that such a sanction would be satisfactory for the general insurance market, its possible use causes anxiety as it would not be underpinned by statute or enforced transparently.

There is also a great possibility that the arrangements would create confusion among consumers. In opening the debate, the Chief Secretary mentioned one-stop shops. However, the retail financial services market does not have anything like a one-stop shop.

People who seek mortgage advice from intermediaries—who have to be registered with the Insurance Brokers Registration Council only if they call themselves a broker—will receive advice on life assurance; perhaps on investments; on whether they require health and sickness cover; on unemployment benefit, if they have been laid off work; and probably also on insuring building and contents.

The Government's proposals, however, would entail advice on those various matters falling into three different regulatory categories. Advice on mortgages, for example, would be covered by the general mortgage code, whereas advice on life insurance policy would have to be authorised advice—so that the firm would have to be authorised directly by the Financial Services Authority. Advice on other general insurance products—setting aside the issue of whether health and sickness insurance cover will be covered by the FSA-authorised regime—would be regulated by the General Insurance Standards Council.

Such an arrangement does not come close to resembling a one-stop shop. However, that arrangement would have to be used every second of every minute of every hour of every day, in every high street across the United Kingdom. Although the system might work, we have to face the fact that it cannot be characterised as a one-stop shop. Moreover, if firms are authorised—as their stationery letterhead will state—"by the Financial Services Authority for investment advice", and if something subsequently goes wrong with a mortgage or general insurance policy, consumers will not understand why the proclaimed FSA authorisation does not apply to those products.

There may be some scope for doing something about those potential problems. Clause 111—which I do not remember reading in the draft Bill—on non-regulated activity rules, states that the FSA may make rules

"applying to the carrying on of non-regulated activities"—

such as mortgage and general insurance advice—

"by authorised persons".

I hope that my hon. Friend the Member for Arundel and South Downs will explore that issue in Committee.

I should like to make it clear to the Minister that the proposed arrangements will certainly not enable a one-stop shop, and that there may not yet be a case for giving the FSA power directly to authorise all those activities. However, there must be a case for ensuring that regulation of non-authorised activities is not merely adequate, but equivalent to current best practice and appropriate to risk. There must be a clear complaints mechanism, with access to redress and compensation. There is clear provision for such a mechanism in dealing with authorised products, but it is not clear how such provision would apply to non-authorised activities.

As a regulator for eight years with the Insurance Brokers Registration Council, I have experience of how such concepts and provisions work in practice. I also think that the Financial Secretary, and certainly the Economic Secretary, will know that I am disappointed that the Government have announced that they are minded to repeal the Insurance Brokers (Registration) Act 1977 and to get rid of the IBRC.

Page 4, paragraph 12 of the Bill's explanatory notes states that the Government continue to hold the view that substantial parts of the 1977 Act, which established the council, should be repealed after the Bill's provisions are implemented. It is fair to say that the Bill, which I have read, currently does not provide for repealing those provisions. I should therefore be very grateful if the Minister could, either today or in a letter, tell me by what process the Act's provisions would be repealed.

When replying to the hon. Member for Newcastle upon Tyne, Central, the Chief Secretary said that the Government supported the concept of establishing a General Insurance Standards Council. Although the Minister may be aware of it, other hon. Members may not know that that proposal has not met with universal

[Mr. John Greenway]

acclamation within the general insurance industry. Some people might like us to believe that the proposal has received such acclaim, but the truth is that many insurance brokers and non-broker intermediaries have serious reservations about it.

I should like to establish some facts. The first one is that brokers effectively volunteer to be registered on the list, so that, if they are disciplined and struck off, they may continue in business if they call themselves not insurance brokers, but consultants or intermediaries. Over the years, many small firms have been disciplined by the council and chucked out, but—if insurers were prepared to do business with them—remained in business.

In fairness to the Association of British Insurers, I should say that, gradually, many insurers are whittling away at the number of less reputable firms. Nevertheless, people are on the list entirely voluntarily; no one is forcing them to be on it. Conversely, those who give investment advice must be authorised by the Personal Investment Authority and the FSA.

Although the Government announced last year that they intended to repeal the 1977 Act and to get rid of the IBRC, as council treasurer, I am able to tell the House that more than 80 per cent. of insurance brokers have paid their 1999 membership retention fees. I believe that they have done so not only because they believe in the council and in high professional standards, but because they wish to belong to a discrete body that provides a badge of that professionalism.

Recently, and partly at my instigation, the Institute of Insurance Brokers conducted a survey of the approximately 2,700 insurance broker firms who remain on the register. Over 50 per cent. of firms responded to the survey, of whom 86 per cent. said that their preference would be to keep the council and not to be forced into the General Insurance Standards Council. If the firms that have not paid their membership fee are taken out of the survey, the figure rises to more than 90 per cent.

I make it clear to the Minister that we are not objecting to the creation of the GISC. On the contrary, insurance brokers welcome that and over the years have campaigned time and again for standards to be raised in the non-broker general insurance retail market. We welcome all moves to raise standards, especially in the non-broker sector. Equally, we are not saying that all insurance brokers are saints and angels, because clearly some are not, but the majority are brokers because they want to be seen as professional.

Why should we be so concerned? I remind hon. Members that, through the 1977 Act, Parliament provided the structure under which the Insurance Brokers Registration Council operates. Although that structure was not perfect, and we would have liked some changes to have been made over the years, it is important to understand why we believe that it has strengths. The majority of people on the council are elected to it by their peers and we have a clear disciplinary structure. Disciplinary hearings are held in public and there is a right to appeal to the High Court.

A broker who was struck off last year has appealed to the High Court because he thinks that he has been wrongly done by, which is far superior to simply taking away someone's agency because we say he has broken a rule that we created. There is no transparency and nothing that can inspire confidence in such a system. We have a proper code of conduct, enforceable client fund segregation and a grant and compensation scheme.

I have had the onerous duty—I am not sure that it was a pleasure—of having to agree with the FSA that the council will raise a levy of all registered brokers to contribute towards the compensation of losses from insurance broker firms that are in default in respect of about 130 cases of pensions mis-selling and the loss of more than £1 million through staff embezzlement at a firm up in Scotland. The professional indemnity insurance does not cover that so we have raised a levy and people are paying it. We have proper monitoring of professional indemnity insurance and solvency. My hon. Friend the Member for East Worthing and Shoreham (Mr. Loughton) said earlier that it will cost £4,000 for a solicitor in Scotland to be registered with the FSA, but it costs an individual insurance broker £60 and an authorised firm £325 to be on our register each year, so reasonable cost is clearly a factor.

I have outlined all that to make the point that the GISC is miles away from showing such equivalence. I welcome the fact that the chief executive of GISC, Chris Woodburn, who has been recruited from another regulator, has said that he wants to meet IBRC standards. That will be a tall order without a statutory structure. The other serious point is that we believe that he should concentrate on the non-broker part of the general insurance market because that is where the problems are.

I would wager that Members of the House have constituents who have complained about an insurance product that was sold to them and for which they could not get redress. A major reason for that is that such policies are sold not by insurance brokers, but by non-registered intermediaries. Such people are independent and are not the responsibility of the insurer. Consequently, there is no redress, no compensation and no complaints mechanism. Standards clearly need to be raised, but how they will be enforced without statutory underpinning and the transparent disciplinary process to which I have referred remains an unanswered question. I do not believe that the threat of agency withdrawal is an adequate solution.

There is concern that regulation will become an instrument of controlling distribution and I suspect that, if hon. Members across the House share a concern, it is not the globalisation of the industry, but the fact that the big get bigger and bigger by the day. Three or four of the biggest firms control a great volume of business, which is not a bad thing in respect of ensuring that we can compete in world markets. Competitiveness has been one of the factors behind some recent mergers of general insurers and I saw in my paper yesterday that CGU and Royal and Sun Alliance may merge. Such a company would be a big player.

The danger of having self-regulation instead of regulation underpinned by statute with transparent standards that apply to all is that the big boys will get away with it and the little guys will get hit for six every time. That is not only me speaking. I am not sure whether the hon. Member for Edmonton (Mr. Love) was present, but the all-party group had dinner with the Association of Insurance and Risk Managers the other day and its

concern on this very point was how the GISC will deal with malpractice in the big broker firms. We know how it will deal with the little guys.

The situation is not satisfactory and a lot of work has to be done. I hope that the Minister will listen to a constructive solution. We are not against the GISC—we welcome it—but it has to be given time to put right what needs putting right in the rest of the general insurance market. It also needs time to show that, although it will not be part of the FSA, it will be able to meet consumer needs and expectations wholly satisfactorily. The need for statutory regulation would then be avoided.

In the meantime, the registered insurance broker community should be left alone to get on with things. There is a great deal to be said for continuing the work that we are doing. We are some way off reaching a stage at which the GISC could apply to registered brokers. In any event, why should anyone want to stand in the way of professional insurance brokers maintaining their own professional body? Solicitors and accountants have the Law Society and the Institute of Chartered Accountants respectively.

All we in the insurance broker community are asking—particularly those in the provincial insurance broker market, although similar concerns are being expressed to me by some of the smaller London brokers who are Lloyd's brokers—is why people should want to stand in the way of allowing us to maintain our own professional body with our own disciplinary arrangements? I am sure that insurance brokers would meet whatever standards that the GISC decides that it needs to impose. We want it to bring the rest of the market up to our standards.

Unless we do something along such lines, what the Government are trying to do will not work. Unless consumers have confidence in the organisations that are supervising and regulating the activities of people who give them advice—not only about investments that have to be authorised, but about other financial services products that the Government are not minded to authorise—not only will consumer confidence be affected and that element of the proposals fail, but the Government will be seen to have failed in their wider objective of cleaning up the entire industry.

For that reason, the smaller voices of those in the independent sector who have genuine concerns about their future need to be listened to. Above all else, they know that their future lies in satisfying their policyholders and consumers, many of whom have been on their books for years. It is in their interest to keep those customers so they want a regulatory regime in which both sides can have confidence.

7.20 pm

Mr. Nigel Beard (Bexleyheath and Crayford): The complexity of a modern industrial economy obscures the fact that social, financial and legal obligations all depend on trust. We must trust that what is said about goods on sale is true, that a manufacturer who places goods on the market will have them fairly judged against competing goods, that investments will be safe and that returns—perhaps years later in the form of pensions—will be as promised. We must trust that insurance companies will pay up when the occasion arises. We must trust that money invested will be honestly applied to the advertised purpose. Politically, we trust that if people can make a fair choice between goods and services, and if financial resources are allocated according to those priorities, we shall have an efficient and effective economy.

That will not happen if we allow events to take care of themselves. The right conditions must be created by Governments. That is not done by central planning that is too insensitive to allow for the variety of choices that people make and too inefficient to allow finance to be invested according to those choices. But nor will the right conditions be created by the disappearance of Governments from the scene, as the zealots of laissez-faire would have us believe. That would give neither a clear expression of people's choice nor an allocation of investment to match their choices, but would, as in the 19th century, create a financial oligarchy that ran things in its own interest. Unbridled laissez-faire ends in mobster oligarchy, as we have seen with the replacement of the communist elite of the Soviet Union.

There is a third way. Political democracy can create and define conditions for economic democracy by making sure that the sovereign choice of individuals is neither fettered nor deceived, and by creating a situation in which financial choice and allocation are made with the fullest possible knowledge of the risks and rewards, and in which the corruption of self-interested manipulators is eliminated.

The Competition Act 1998 was one leg of such a policy. The Financial Services and Markets Bill is a second leg. It is a regulatory measure, but one welcomed by financial and public interests. The essence of successful regulation lies in achieving a balance between countervailing forces, and the Bill achieves that balance. The novelty of pre-legislative scrutiny by a Joint Committee, on which I had the privilege to serve, contributed to the balance, as did the open-minded and constructive response of the Government to our reports.

The speed of change in today's financial markets makes it essential that the Bill should be adaptable. If it is not, it will rapidly become out of date. Natural justice requires that regulations are clear and certain so that no one is in any doubt about what is or is not permitted. An important balance must be struck between adaptability and certainty. That has been done by leaving detailed definitions to delegated legislation and codes or guidance to be produced by the Financial Services Authority. Detailed provisions can then be readily amended in the light of experience and changing market practices.

British financial services have an admirable reputation for innovation. The scale of operation and the climate of innovation attract operators to London rather than other financial centres. Neither innovation nor London's reputation would be served by lax regulations, but innovation would be suppressed if regulations were too prescriptive. If regulation extended to giving an official mark of approval to certain products or services, the entry to the market of those products would be inhibited and innovation slowed down. The Bill deliberately avoids that problem.

Similarly, if regulation added substantially to the costs of services, operators could be induced to move to Frankfurt or New York. At present, London's regulatory costs are among the lowest in the world, but they must be monitored to ensure that the position does not change. Provision is made for the publication of comparative regulatory costs in the annual report of the FSA.

[Mr. Nigel Beard]

The overwhelming weight of evidence to the pre-legislative Committee came either from financial services practitioners or their collective associations, or from lawyers serving practitioners. Their concerns tended to be amelioration of disciplinary penalties and elaboration of FSA procedures in the interests of practitioners. Members of the Committee needed to compensate with a conscious concern for the general public—the so-called consumers.

The balance between practitioners and consumers also arose in dealing with the Bill's caveat emptor—"let the buyer beware"—provisions. Practitioners tend to say that customers should be responsible for their own choices, and that it is not the practitioners' responsibility to ensure that customers know what they are signing up to, but the general public cannot be expected to have the same knowledge of the market as those who are engaged in it day by day.

There is a profound split in the community of financial services practitioners, characterised by the terms wholesaler and retailer. Many practitioners who deal mainly with other practitioners—the wholesalers—have expressed the fear that the regulatory regime, needed to protect the general public, will be irksomely restrictive for them. However, light-touch regulation appropriate to those with professional knowledge, who can look after themselves, would leave the general public exposed and unprotected if it were applied to retailers—those practitioners who deal with the general public. It is crucial to the fair working of the Bill that the FSA should recognise the distinction between the needs of wholesalers and retailers in their day-to-day operations and in the culture of their organisation.

The Bill has both a service and a geographical dimension. The Joint Committee felt that the scope of the legislation should include mortgages and long-term care insurance. Mortgages are the main financial transaction that most people will ever undertake. The division between fixed and floating rates and the conditions for transferring from one to the other have made mortgages more complex, and there is a record of mis-selling of endowment mortgages. Most firms selling mortgages will come within the provisions of the Bill for related services, but the Government wish to see how the scheme launched by the Council of Mortgage Lenders will work before making a commitment to include mortgages in the Bill. As the scope of the legislation is a matter for secondary legislation, the inclusion of mortgages and long-term care insurance need not be decided now. Although the Council of Mortgage Lenders scheme might work, it would, if made permanent, conflict with the idea that the FSA should be a one-stop shop for financial services regulation.

The Channel Islands and the Isle of Man are excluded from the geographical scope of the legislation. Clearly, if the regulatory arrangements in those two offshore havens are to be more indulgent than those within the United Kingdom, business could transfer to them once this legislation becomes law. The Government will need to decide what steps are to be taken to avoid that.

The wide-ranging commitment for the FSA to consult before finally formulating rules, codes of practice or guidance is formalised by the establishment of consumers and practitioners advisory panels. That listening culture will seek to ensure that regulation is by consent and will enhance both public and professional confidence in the FSA.

Nevertheless, the disciplinary and enforcement provisions of the Bill are vital. When fortunes may be made by a breach of the rules, the means of enforcing them against organisations and individuals must be certain and the penalties must be deterrent.

Much of the comment on the Bill has been to ensure fairness to organisations and individuals in the disciplinary and enforcement procedures. That is important, but fairness is not served by making procedures over-complex, legalistic and protracted. In the vast majority of cases, both the FSA and those subject to disciplinary penalties have an interest in a speedy settlement of any issue.

After much debate, a balance between speed and legal procedure has been struck. Internal hearings by the FSA will provide for speedy resolution of cases, but where anyone feels that that has not delivered a fair judgment, the case can be dealt with by a tribunal applying more formal procedures.

The effective functioning of the FSA in enforcing its rules through these procedures depends upon staff freely exercising their judgment on the merits of any case. Those judgments would be distorted or become over-cautious if staff were constantly afraid of a civil suit for damages arising. Thus they are given a statutory immunity to civil liability in the discharge of their duties, as are the staff in regulatory organisations in many countries.

There is a gap between the provisions in the Bill for disciplinary and enforcement proceedings and the much more serious cases of insider dealing, misleading the market and market manipulation, which fall within the criminal law. The Bill fills that gap with provision for the FSA to deal with market abuse in those cases that are not covered by existing criminal law.

A major concern of the pre-legislative scrutiny has been to ensure that the FSA procedures proposed for discipline and enforcement and also for market abuse cases are compatible with the European convention on human rights. Legal opinion varies on just where compatibility lies. The position presented in the Bill is a good balance between those opinions. Essentially, in market abuse cases the defendant will have the safeguards of criminal procedures, whereas in all but the most serious disciplinary and enforcement cases civil law procedures will apply.

Exactly which serious cases will require criminal procedures, or indeed whether any will, is now the very limited area of uncertain compatibility with the ECHR. That question may be dealt with either by the progressive establishment of case law or by the FSA taking the precaution of applying criminal procedures to those cases that it deems serious. That limited grey area does not warrant the claim that appeared in *The Daily Telegraph* last week that the legislation is deeply flawed; it is not. However, it is important to have dealt with this issue exhaustively at the legislative stage. Otherwise, there was a danger that the courts might strike down significant parts of the Bill and leave no legal basis for regulation in those areas.

The Bill makes the Financial Services Authority one of the most powerful and wide-ranging regulatory authorities in the world. The future of financial services and markets

in London can be enhanced or diminished by the way in which it discharges its responsibilities. Institutions may be closed as a result of its actions and individual careers terminated. In many respects, it is effectively defining the law as applied to the various organisations of the finance industry. It is reasonable, therefore, that the accountability of the FSA should be in the forefront of many people's comments, as it has been.

That accountability has many dimensions. The Treasury will appoint the board with a majority of non-executive directors. Executive directors will be subject to confirmation hearings by a parliamentary Committee. An annual report will be published covering a prescribed list of topics, which will be reviewed by a parliamentary Committee. Panels representing consumers and practitioners are established in the Bill and their observations will have to be answered. There is an all-pervading expectation of consultation before codes of practice or guiding principles are adopted. The Treasury will have the power to commission independent reports on the efficiency of operations and there will be an independent investigation of complaints.

The question is not so much the accountability of the FSA as the impact of all those strands of accountability on the day-to-day effectiveness and flexibility of the organisation. No doubt custom and practice will evolve a settled arrangement that balances accountability with effectiveness, but it is an issue that the board, the Treasury and the parliamentary Committee may well wish to review from time to time.

The existing self-regulatory arrangements for the financial sector of the economy are widely recognised as costly, inefficient and confusing for practitioners and public alike. The Bill provides for a single regulator with statutory authority to replace nine regulators for different parts of the industry.

Scandals such as pension mis-selling, Barlow Clowes, BCCI and the collapse of Barings bank have disfigured the industry and jeopardised both market and public confidence. At the same time, the globalisation of the financial markets has given them a huge unaccountable influence over public policy and the daily lives of citizens in this country. It is damaging to those financial institutions and to democracy itself if they are popularly felt to be beyond the law.

Global markets make it essential that national regulatory authorities co-operate in taming what could be maverick forces distorting the world economy. The FSA will be able to co-operate in international regulatory arrangements with credibility derived from the powers and responsibilities set out in the Bill.

The public interest is secured without the threat of a heavy-handed and remote regime damaging a major sector of the UK economy. The Bill is not a behemoth designed to subdue and coerce. Any such fears are groundless. It aims for regulation by consent of the industry, with its substantial powers of enforcement applied as much for the good of the industry as for the public interest.

It is to the Government's credit that they have not allowed the existing inadequacies merely to drift but have had the courage to tackle this complex issue comprehensively as a major contribution to modernising the British economy. I am pleased that the Bill will have the confidence and support of both sides of the House this evening.

7.38 pm

Sir Peter Lloyd (Fareham): I agree with much of what the hon. Member for Bexleyheath and Crayford (Mr. Beard) said. In particular, he was right to say that the Financial Services Authority will need to cater for the differences in the retail and wholesale selling of financial products. I do not think that that has been emphasised enough this evening.

First, I must declare an interest as a member of Lloyd's, although I shall not comment on the part of the Bill that deals with that much-tried organisation. Instead, I start with the general observation, which has already been made by both Front-Bench spokesmen and by most of those who have spoken in the debate and which will no doubt be repeated before it ends, that London is a hugely successful financial centre, which attracts business and practitioners from all parts of the world, to the economic benefit of the United Kingdom economy.

Despite several highly publicised scandals and failures, London has continued to flourish because financial organisations, and their customers at home and abroad, find that it is the best place to do business, and because the regulatory system compares favourably with those in financial centres in other parts of the world. The recent survey compiled by the London chambers of commerce attests to that. The comparative lightness, flexibility and honesty of our system is the attraction. With the Bill, the test for Parliament and for the Government is so to improve the regulatory regime that scandals are reduced—if not eliminated—without reducing the attractiveness of London to honest businesses from all over the world.

It is a truism to say that we live in a global market, but financial institutions can certainly relocate easily to more congenial environments in other parts of the world. The Bill will fail dismally if, along with eliminating the scandals, it manages to prevent businesses from coming here.

It is sometimes argued that a Bill such as this must strike a balance between commercial freedom and the protection of the customer. That analysis is not right. I am sure that a major reason that foreign firms locate in London is the honesty and reliability of the institutions with which they deal here—including the regulatory system. Firms with good products to sell cannot compete to best advantage if the market is not open and transparent. What is good for markets, competition and customers is bad for crooks and incompetents.

The Bill will be judged on how well it helps markets to work better; there is no underlying conflict between service providers and customers. However, that simple truth could be lost in the complexity of this measure and in the considerable discretion that will be left—quite rightly—to the FSA and its staff. I am glad that the four principal objectives of the authority have been set out in the Bill: market confidence; public awareness; protection of consumers; and the reduction of financial crime. The FSA will have those objectives before its collective mind and knows that it will be judged on them. My only complaint is the same as that made by my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory); he said that there should be a fifth objective—the encouragement of competition. He is right, because

[Sir Peter Lloyd]

competition is one of the best guarantees of good service to consumers and customers; that objective should also be at the front of the Bill.

Mr. Beard: If the prime purpose of the FSA was to promote competition, it would undoubtedly inhibit it from co-operating internationally with other regulators. They would feel that they were being duped in a ruse to stimulate competition in the UK. That would remove one of the great powers of the authority under the new arrangements: that it can co-operate internationally and can contribute to an international regime of regulation.

Sir Peter Lloyd: That is not true at all. Competition—internally, nationally and internationally—is highly desirable for all customers and consumers. It should be the objective of all regimes in this country and abroad. I do not accept the point made by the hon. Gentleman. It troubles me that he thinks that such an objective would make it difficult to co-operate with regimes abroad. We should not go along with them, as he suggests; they should bring their attitudes up to date in the interests of their own customers, consumers and businesses.

Like other hon. Members who have spoken in the debate, I am glad that the Government want to build on the existing structure, eliminating its shortcomings, rather than starting again from scratch. The Government were wise to proceed by consultation. The first draft of the Bill smacked too much of the Star Chamber; it was much improved as a result of the brief report of the Treasury Committee and of the fuller deliberations of the Joint Committee. As several hon. Members have pointed out, we shall need continuing parliamentary scrutiny of the FSA's use of its powers. The authority will need to be overseen regularly by a Select Committee, taking regular evidence—not merely by occasional debates in the House or a by debate on an annual report. Parliament needs to examine the authority regularly, thoroughly and carefully, through a Select Committee, so that Parliament and the public can see how the authority is working.

Part of the Bill's purpose is to streamline the bewildering array of regulatory bodies and bring them together under one roof so that the public will more easily know where to take their complaints. There will be greater consistency in the rules and their application; and duplication, and hence costs, will be reduced. However, the trouble is that large conglomerates can end up by being more, rather than less, expensive. I trust that there will be a mechanism to ensure that value for money audits are regular and searching; they should not merely publish comparative statistics, which people can take or leave, but should make an active and dynamic inquiry into the organisation of the FSA and whether it uses its powers cost-effectively. I hope that the Economic Secretary will say something about that matter when she winds up. It is important for London as a financial centre that regulation is economical as well as effective.

The Chief Secretary spoke approvingly of one-stop shopping as one of the Bill's objectives, although my hon. Friend the Member for Ryedale (Mr. Greenway), who is no longer in the Chamber, had some doubt as to whether the Bill would achieve that objective. The problem of one-stop shopping is that the shop assistants may not know well the needs of their different types of customer, or the characteristics of their different suppliers. At least the old system encouraged regulators to build up an intimate knowledge of their specialist area, although it failed dismally in respect of the mis-selling of private pensions. However, it is not obvious that the new system proposed in the Bill, in which the FSA will stretch across a range of different financial markets, will be any better. When all is said and done, why should the FSA be any more aware that things are going wrong than the organisations that it will subsume? That short question goes to the heart of the Bill and of the benefits that it is supposed to produce. I hope that the Minister will address that point.

Large organisations tend to develop a corporate approach; indeed they usually take pride in doing so. A real danger is that the FSA may try to deal in much the same way with very different market sectors, and with different customers with different requirements. That will cause harm to the markets and disbenefit to the customers. Having been put together as one seamless organisation, the FSA will need to decentralise and specialise, if it is to know its constituent markets intimately and to regulate flexibly and effectively. I hope that the Minister will tell us that she is aware of that potential problem, and will explain why she is confident that it will not become an actual problem.

The most glaring shortcoming of the original Bill was in the Star Chamber powers that it gave the FSA and the apparent assumption that they would be used in a Henry VIII fashion. Thanks to the Joint Committee and the Government's response to it, the Bill is greatly improved in that respect, although I fear that, in parts, it may have moved only from the 16th to the 18th century.

I am concerned that, in investigations that involve companies or individuals regulated by the FSA, there is, as I understand it, no right to silence or legal aid, and the burden of proof is only that of the civil courts, even though someone's reputation and livelihood is at risk. Despite the Minister's assurances in his opening remarks, I am not convinced that the original criticism of the Bill—that it makes the FSA prosecutor, judge and jury—has been entirely met by the recent changes. The concerns expressed by my right hon. Friend the Member for Wells still need to be addressed.

I shall not ask the Minister to respond to all of those points when she replies to the debate, not only because I have already asked enough questions for her to deal with this evening, but because that whole area is so crucial and so complex that it must be dealt with point by point in Committee. Scandals in the City have not always lain in the failure to protect customers and the public; sometimes, they have lain in what appears to be the heavy-handed and unfair way in which the authorities have occasionally proceeded against an alleged rogue trader whom they happen to have had in their sights. Such spectacles have not enhanced the respect in which the regulatory system is held.

I am glad that the Government decided to include caveat emptor in the Bill. The customer is best served if he understands that he must look out for himself. If the Government, by their legislation, give the impression that they have eliminated risk, they will have done the customer a disservice, because it will not be true, or, alternatively, it will mean that they have so circumscribed financial institutions that their risk-free products are hardly worth buying.

What customers require is well placed confidence that they will be dealt with honestly—that they will be given sufficient information to make a reasonable assessment of risk, and objective advice that is appropriate to their level of experience and knowledge and their needs, so that they can use that information well. If the Bill ensures that that happens in future more often than it does now, without inhibiting the development of services that financial services institutions are in the business of offering, it will have justified both the support it has received from hon. Members on both sides of the House today, and the time and effort that has already been spent and that is still needed in Committee to improve it still further.

7.53 pm

Mr. David Kidney (Stafford): I am pleased to hear so many constructive comments from right hon. and hon. Members on the Conservative and Liberal Democrat Benches. I especially liked the description of the Bill as a blockbuster, because I intend to concentrate on the new market abuse regime, which I am certain will be big at the box office. Today, we are all engaged in the process of creating a single modern regulator to oversee complex and sophisticated markets and a financial services sector that contributes hugely to the UK's wealth. As we do so, the eyes of the world are on us, for I am sure that others will follow where we lead.

As others have already explained, the process has been open and consultative: it started with the publication of the draft Bill last July, since when two reports of the Joint Committee have been published. There is nothing new to say about the process so far, save that public and professional interest in it has not flagged, as was most recently evidenced by the packed meetings of the Joint Committee whenever it sat in public. As the right hon. Member for Wells (Mr. Heathcoat-Amory) said, the process continues after tonight, with consideration of all the many new clauses that have escaped our scrutiny thus far—for example, those relating to open-ended investment companies—and the innovative process to carry over the Bill between Sessions.

However, as I said, I intend to concentrate on the market abuse regime—a new civil regime proposed to deal solely with market abuse. Clause 95 sets out the sort of behaviour that is regarded as unacceptable. The new regime is intended to complement the existing criminal law controls over insider dealing and market manipulation. I shall briefly explore three questions: why is the new regime needed; how will it work; and what are the European convention on human rights implications?

First, why is it needed? It is fair to say that we have a poor record on detecting the existing criminal offences. I hasten to add that it would be wrong to apply a new civil regime solely for the purpose of making it easier to catch criminal wrongdoers by widening the range of conduct that may be caught and lowering the standard of proof needed to prove our case. However, it is an inescapable fact that existing criminal offences have not been adequate to control market abuse misbehaviour.

The Department of Trade and Industry publication "Companies in 1997/98" tells us that, in the past five years, 126 cases have been referred to the DTI for investigation, but that, in the same period, there have been only five convictions for insider dealing. I suppose that an optimist would cite that as evidence of there being hardly any misbehaviour in the markets, but I doubt that such a claim could be sustained. The London stock exchange annual report for 1997 offers a glimpse of the pyramid of regulatory activity that precedes DTI referrals: there are about 50 potentially suspicious trades a day, and, in a year, more than 1,000 merit further investigation.

Moving the target slightly, to money laundering, in a written submission to the Select Committee on the Treasury on the subject of "money laundering suspicious transactions", the British Bankers Association tells of the number of reports rising from 490 in 1987 to 14,129 in 1998. Little wonder that one of the FSA's four regulatory objectives is to be the reduction of financial crime. Clause 117 specifically addresses the issue of money laundering by authorised persons.

If the only problem were the weakness of the existing criminal law and its procedures, the proper response would be simply to tighten the criminal law and prosecute more rigorously. However, there are other factors that tell us that the regulator needs a broader array of responses in cases of market abuse, and I shall give three examples. First, most right-thinking people would regard market abuse as wrong, but not always as criminally wrong. Secondly, civil remedies are flexible and can adapt more easily to keep pace with changing trade practices. Thirdly, civil remedies can support the integrity of the markets and protect other participants through such measures as injunctions, disgorgement of profits and restitution to injured parties.

Therefore, I welcome a civil regime to sit alongside the criminal law, always provided that, when there is a question of both the criminal law and the civil law applying, the FSA first considers the criminal route. We have received a written assurance from the Treasury that that will indeed be the case.

My second question is, how will the new regime work? Clause 95 contains a widely drawn definition of market abuse, and there has been criticism that the definition is too widely drawn. That matters because people are entitled to know what actions on their part would be likely to be regarded as contravening the law. That is a principle of article 7 of the European convention on human rights. The people who need to know what is or is not market abuse are not only authorised persons, because the provision will apply to all market participants. However, it is fair to point out that the behaviour must occur in the United Kingdom, or relate to investments traded on a market in the United Kingdom.

The Government intend that clause 95 will be supplemented by a market code drawn up by the FSA. Following many representations, the Government have at least conceded that abiding by the letter of the code gives traders an absolute safe harbour from market abuse action. That is a great reassurance for market participants.

It is clear that a person who infringes the code will be in trouble, but what will happen if the code is silent on the behaviour detected by the FSA? The FSA will then have to measure the behaviour against clause 95. Hon. Members can readily see the problem if clause 95 is so widely drawn that, at a later date, its application is regarded by a court as being uncertain. If the FSA concludes that there has been market abuse, it may seek to impose a fine and/or restitution or it may apply to the court for the same financial outcomes and/or to obtain an injunction.

[Mr. David Kidney]

The processes that apply to a person accused of market abuse apply also to a person accused of regulatory breaches—indeed, regulatory action may also be taken with the one exception of the Government's concession on the point relating to the European convention on human rights, which I shall deal with in a moment. A person who is accused may take the case further than the notification by the FSA of the financial penalty and go to the newly established tribunal and appeal from it to the Court of Appeal on a point of law.

Thirdly, what are the European convention on human rights implications? The Government describe the market abuse regime as a civil regime. Under the European convention, a court can conclude that the procedure is criminal in nature despite its legislative label. Article 6 gives additional safeguards to persons who are accused of wrongdoings that are criminal in nature. Those safeguards include a fair and public trial, a trial within a reasonable time and legal aid in appropriate cases. A fair trial includes protection from self-incrimination—for example, protection for an accused person who is made to answer questions under section 436 of the Companies Act 1985. That person will be protected from answers that have been given under compulsion being used in evidence against him or her.

However, the Government have made the great concession that the market abuse regime is likely to be found to be criminal in nature. In that sense, article 6 safeguards will apply. I do not think that the Government should be portrayed as being dragged kicking and screaming to that conclusion, nor should it be regarded as a weakness. Article 6 is known colloquially as the "British article" because it is regarded as incorporating traditional British values of fair play and reasonableness.

Civil regimes of market abuse already apply in other jurisdictions. European Union members such as France and Spain have civil regimes for market abuse—although their systems of civil codes make comparisons slightly difficult. However, we can see from recent events that they are wrestling with the same questions about the implications of the European convention on human rights—as was shown by the Oury cases in France.

The United States has a successful civil regime that is operated by the Securities and Exchange Commission. There has been no trammelling of its powers, although there is a strong and robust written constitution. The big difference with the SEC's operation of the regime regulating market abuse in the United States is that it does not impose the fines directly—it must take the case to the civil courts—and nor does it keep the fine income, which goes to the Treasury. I am not clear that a civil regime operated through the civil courts would deny the FSA the flexibility that it requires in tackling market abuse. However, I support the FSA's having this new set of powers alongside the criminal law and regulatory powers, and I wish it well in its operations.

As I have said, the eyes of the world will be upon us as we legislate for a single regulator of financial services. We are all watching as the FSA begins to exercise its powers and carry out its duties. We have a heavy responsibility to ensure that we establish a system that works well; that allows trade in financial services to flourish, free from unnecessary restrictions; and that gives the public confidence that they are paying fair prices for services of integrity. In short, it must be a system of which we can all be proud.

8.5 pm

Mr. Tim Loughton (East Worthing and Shoreham): I declare an interest in the debate, as set out in the Register of Members' Interests. Those who served on the Joint Committee may be forgiven for feeling a sense of déjà vu. The Committee sat for three intensive months and we are discussing the same issues again today—albeit in a slightly different setting.

My right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) said that the Bill had had a long gestation period. There have been several phantom pregnancies during it, and only now are we at the beginning of what I am sure will turn out to be a very long labour. As my right hon. Friend said, we must get on with it as quickly as possible, because the longer the delay, the bigger the Bill will become. Unless we progress quickly, we are in danger of spawning metaphorical triplets. The hon. Member for Huddersfield (Mr. Sheerman) said earlier that we are only at the outset of the Committee stage. However, the atmosphere in the Chamber during this debate has resembled more the weary resignation of Report. I fear that we are many, many months away from that.

Howard Davies, the supremo—for want of a better word—of the Financial Services Authority said that the Bill was like taking the scenic route to Buckingham Palace. I think that we have probably done several laps around Palace yard so far but we are still a long way from Parliament square and the open road to the Mall. I must issue a warning at this stage by referring hon. Members to the equivalent procedures involved in the Financial Services Bill in 1986. One hon. Member who spoke on Report at that time mentioned the fact that the original Bill had contained 167 clauses and 13 schedules. By the time it reached Report, it had 17 new clauses and 278 amendments, including 249 Government amendments. We have a lot of work before us yet.

I join Committee members—and those who did not serve on the Committee—in expressing a unanimous view about the success of the Joint Committee exercise. It was deftly chaired by the noble Lord Burns—whose ears must be burning—and serves as a good model for dealing with future legislation. As Labour Members have said, the major problem with the Committee was the time restriction placed upon it. We should remember that we were able to examine only six areas: the statutory objectives and principles, scope, accountability, discipline and enforcement, market abuse and the ombudsman scheme. During that time, we had also to cope with the progress report from the Government, the 24 consultation documents issued by the FSA and the 100 new clauses that landed on our doormat in April, with four schedules attached.

I sincerely welcome the Government's positive response to the recommendations in the Joint Committee report. However, the Government had to respond positively because the original draft Bill—which was sneaked out on the final day before the 1998 summer recess—was a complete dog's dinner. It succeeded in leaving the financial services industry in an extreme state of regulatory limbo—which will continue well into the

next millennium. The period has seen enormous upheavals caused by the millennium bug, the introduction of the euro, new statutory savings schemes and pension problems. The potential for problems in the financial services industry must be much greater than usual, yet we have only a skeleton FSA in its current form.

Liz Blackman: The hon. Gentleman describes the draft Bill as a complete dog's dinner. A moment earlier, he referred to the 278 amendments that were made to the Financial Services Act 1986. Surely it is much better to use a pre-legislative process, as this Government have done, than to introduce a dog's dinner, which the 1986 Act turned out to be.

Mr. Loughton: I agree, and one would have thought that, after 13 years, the Government might have learned from the problems of the Financial Services Act. The hon. Lady should remember that when the draft Bill was published in July, there was no mention of setting up an innovative Joint Committee to consider it. That proposal emerged only when the Bill was introduced in the Queen's Speech last November. At that stage, no one envisaged that a pre-legislative scrutiny process would apply to the Bill. That process had to be used because the draft Bill was full of flaws or, as I more elaborately described it, a dog's dinner.

I welcome the Bill because we need it. We need a single regulator with teeth such as the one that the Bill will introduce. Despite the hon. Lady's comments, the Bill is part of an evolutionary process that started with the 1986 Act. It streamlines the multiple self-regulatory organisations. For all the criticism that has been made of the SROs, many of them have, in most cases, done a good job at a time of enormous upheaval in the financial services industry in this country and the world as a whole.

For the past 13 years, there has been a good, open relationship between the regulator and the regulated, rather than a over-prescriptive regime. We need to transfer the many successful elements of that system to the new regime. It is no good writing off everything that has happened since 1986, because there has been a vast expansion of the financial services industry—in most cases, without problems. Of course, the high-profile problematic cases that many hon. Members have mentioned today have tended to overshadow that fact.

In setting up a powerful authority, we are dealing with an industry that makes a important contribution to the British balance of payments and a business that is highly technical. It is vital—even more so here than in many areas of legislation—that we get the initial legislation right.

The draft Bill would have set up the FSA in the role of chief detective, judge, prosecuting council, jury, appeal judge, executioner and beneficiary of the victim. That is not now the case. The draft Bill gave the FSA the power to issue unlimited fines.

Ms Hewitt: Does the hon. Gentleman at least accept that the completely independent financial services tribunal was a feature of the original Bill, as published at the end of July last year?

Mr. Loughton: That was the one saving grace in a regime that did not even put up Chinese walls between the investigative and disciplinary processes. The original Bill lacked an awful lot, according to the noble Lords who gave legal evidence, particularly Lord Hobhouse, who used the terms that I have just used. The initial Bill gave the FSA powers to issue unlimited fines with relatively few checks, powers to enter premises in the middle of the night without a warrant, which had quickly to be retracted, and the ability to use compelled evidence in subsequent disciplinary procedures. That was clearly nonsensical. In its original form, the Bill would have made the Athenian law code of Draco pale into the insignificance of a laundry list by comparison.

As I said, the Bill is highly technical and it is vital that we get it right. As my right hon. Friend the Member for Wells said, the draft Bill had more than 200 clauses, and the final Bill now has 367 clauses and 16 schedules. I do not accept the idea that including more regulation makes this a better Bill. We want quality, not quantity, and we want regulation, but not just for regulation's sake and not at all cost. We certainly do not want to repeat the mistakes made with the Securities and Investments Board back in 1986, when the most enormous rule book was constructed by lawyers having a field day. Many of the technical terms had later to be revisited.

I welcome the mantra, which was mentioned several times this afternoon by Front Benchers, of light touch where possible, protection where necessary and fairness throughout. That must be the touchstone by which we decide whether the legislation works.

The press comment over the weekend, critical as it may have been, reminds us of why we need to get the Bill absolutely right. An article in *The Daily Telegraph* pointed to the

"storm brewing over FSA plans"

and quoted the Economic Secretary as promising an enormous row if the FSA imposed rules under which the costs are not justified by the benefits—because

"we do not want to tie the City up in red tape."

Rather more politically, she then asserted:

"Part of the process of creating New Labour was to change Labour's attitude to the City."

I do not disagree with any of that, but the Bill is not particularly partisan, and as many hon. Members have said, the members of the Joint Committee worked exceedingly well together.

Conservative Members suspect that much has been added to the Bill, for the sake of regulation, that is not entirely necessary by a Government who have all too often demonstrated that they are willing to introduce extra regulatory burdens on business. The cost of regulation is nothing but a tax on the financial services industry and must be seen in that light. Hon. Members should remember that while we are discussing the Bill, a comprehensive rule book is being drawn up by the FSA. We shall play no part in that rule book, other than setting down the guidelines for it in the Bill. It is therefore vital that the people who are drafting those rules have regard to a strict, detailed framework of what is required.

As hon. Members have said, much of the work of the Joint Committee was taken up with problems relating to the European convention on human rights, particularly, as the hon. Member for Stafford (Mr. Kidney) said, with regard to market abuse, the ombudsman scheme and the immunity from prosecution proposed for the FSA.

[Mr. Loughton]

Nothing could be more damaging than to find that the first time that the Bill's powers were used—for example, against a large firm that did not like being fined a large sum by the FSA—the FSA was struck down by the European Court of Human Rights when challenged. The noble Lord Burns has, perhaps, been misquoted, but he certainly pointed out in his response to the Bill that there is still a risk of that because of the nature of case law under the European convention.

As well as the bottom-up approach of minimal regulation, another overriding consideration for Conservative Members when scrutinising the Bill will be its cost-effectiveness for the industry and how that is passed on to the consumer. Some of the more naive submissions that we have received from consumer groups state that extra regulation and extra costs and charges to the provider of financial services and products will not feed through to the consumer. Of course they must, and the consumer will end up paying the extra costs.

Secondly, Conservative Members want a clear line of accountability for the FSA, ultimately to Parliament. Thirdly, we want clear transparency in the operations, procedures and findings of the FSA. Fourthly, we do not want to stifle entrepreneurialism in the financial markets and product innovation. Finally, as many hon. Members have said, we want recognition that the financial services industry is global, particularly now, with the use of the internet for selling financial products.

I want to highlight some of the areas where the Government have responded well to criticism in the Joint Committee's findings, and some others about which we still have concerns. The first of those areas relates to the four statutory objectives that were laid down. We had a great deal of debate about what order those should be in. The statutory objectives do not apply directly to individual acts of rule making, advice or guidance. They apply only to general policy and principles in many areas. Many of the six accompanying principles are couched in terms of desirability or form a "check list only", as they were described by Howard Davies in one of his sessions before the Committee. We would like the competitiveness of the UK financial services industry to be a core objective. It should be not only maintained but improved.

I do not take the point that that would in some way burden the FSA in its negotiations with regulators overseas. Surely it would have the opposite effect, providing an incentive for other countries' regulators to minimalise their regulation too. Regulations would not then be imposed on us by other countries' regimes—regulations that would simply not hold water over here. Establishing such a core objective must be an incentive. Indeed, the Treasury Committee agreed with that proposal. We may have the best regulated financial services industry in the world, but the regulation must be cost-effective, so that businesses, especially foreign ones, will continue to do business here.

Although we have reservations, we are pleased with the inclusion of caveat emptor. It had to be included. We did not buy the argument that one could in some way not apply the duties of financial services providers to non-business customers, as the National Consumer Council argued.

A fool and his money are perhaps easily parted, but competition between myriad products and between houses that offer information about not only their products but the principle of saving for pensions, retirement planning, tax-free savings schemes and so on, means that a fool would have to go an awfully long way to avoid the vastly increased information that is available about financial products and the healthy competition that has brought charges down. However much information we provide and however much we try to prevent mis-selling, we cannot prevent mis-buying by somebody who chooses to ignore such information.

I certainly agree with the principle that the FSA has an educational role. That must be flagged up as a sign-posting role in the many other sources of information to which people may now look. Informed customers are a source of competitiveness in the industry, and everybody would encourage that.

However, it is not the FSA's job to regulate products, an activity which would inevitably lead to a vision of product endorsement and the sort of problems that we are already encountering with CAT—charges access terms—marking. Such practices essentially delude people into thinking that the product's performance is somehow guaranteed by the Government, although that is not the intention, and often make consumers lazy because they think that they do not have to find out about the suitability or performance record of the product.

The third area in which I still have grave concerns—the phrase reared its head many times in Committee but we never really got to grips with it because it did not come within our remit—is systemic risk. The market confidence objective is inextricably linked to it, but there is little elaboration in the Bill.

We are told that there is the tripartite relationship between the Treasury, the FSA and the Bank of England which stems from the Bank of England Act 1998—which gave the Monetary Policy Committee independence in 1997—but we know little about how the arrangement works. We are assured that there are monthly meetings between the three bodies, but I am not sure whether the minutes of those meetings are made available. I would be interested to hear from the Minister whether they are.

The inclusion of the objective concerning systemic risk is also slightly ironic because, just last September, the International Organisation of Securities Commissions published a series of sound principles and practices for regulation and the supervision of securities markets which were based on three fundamental objectives, including the reduction of systemic risk. The Bill must be rather clearer and more detailed on this subject.

What is the duty or responsibility of the FSA to reduce systemic risk in the financial services industry and in banks in the United Kingdom? What will be its attitude to allowing a bank to go bust rather than thinking that it has some special status and must be kept afloat—contrasting with the many engineering or capital goods companies that go bust every day of the week? Who will give the order to launch a lifeboat, and where will the money to man it come from?

None of those questions is properly addressed in the proposed status of the FSA, but surely must be in the Bill. Such a role will be one of the most important for whoever will claim responsibility within the tripartite arrangement.

I should certainly like an objective in the Bill that is based on the soundness of the financial system and the role of the FSA in it.

Next, I turn to the comprehensiveness of the annual report, which has been mentioned by several hon. Members. Much hope seems to be pinned on some slightly woolly intentions for the content of the annual report. In no way do we want to make it even larger than the FSA rule book, but it should contain certain minimum specific requirements, of which the FSA should always be mindful.

The big grey area remains international competitiveness. We frequently heard of the good Australian Dr. Wallis who in 1995 produced a report on the international regulatory competitiveness regime. That appears to be just about the only meaningful bit of work on the subject. It is now hopelessly out of date, and must be redone. There is an increasing threat of regulatory arbitrage affecting our market and others in Europe and the United States. I would like full disclosure in the annual report of the increased regulatory burden of the previous year, the cost of that burden and the reasons for it, the cumulative cost of the regulatory burden and the amount of regulation introduced since the FSA began operation, and international comparisons, using consistent and easily contrasted tables and figures.

The Government say that schedule 1(10) includes a reserve power under which the Treasury can require the inclusion of particular matters in the annual report, but that is relatively meaningless. A good comparison would be the green book, which was to detail the environmental impact of Budgets, and which we were long promised would accompany each Budget. That was boiled down to just a page in the Treasury Red Book and very much sidelined.

Far too much of the Bill consists of the delegation of reserve powers to the Treasury. As one newspaper commentary said:

"Running through this Bill are the threads of the disease endemic to modern legislation, that of the reserve power. The Act, when it finally grinds on to the statute book, will allow the Government to change the rules without bothering with legislation."

That must be a worry.

The fifth area that I should like to flag up is that of scope. It was very annoying that the major press reaction to our first report, after all the work that went into it, was that the FSA's remit should include powers over mortgages—an opinion with which I personally disagree. Although I am glad that the Government are not acting on that recommendation, they are slightly woolly about taking a decision in principle by the end of the year to extend the scope of clause 20.

I fundamentally challenge the view that mortgages should be included within the FSA remit. It would completely overload the system at this early stage, from all practical points of view. It would be entirely inconsistent to include mortgages but not other substantial financial transactions, such as hire purchase on cars or long-term care insurance. The endowment element of mortgages is already covered by the FSA legislation, and no proof—no evidence, even—has been submitted to the Committee or anyone to suggest that the mortgage industry's voluntary code has in any way failed yet.

It is very early to say, but I would say that the code has been very successful. Additional information is now provided to parties to the 1.4 million mortgage transactions that take place every year. The mandatory qualifications of staff in the mortgage industry have been improved. Another success of the code has been in detailed monitoring and enforcement. The code has been extended to almost 100 per cent. of mortgage intermediaries. There is much to shout about, and it seems premature to slap the full rigour of the FSA on the mortgage industry at this stage. That would be unjustified and, at this stage and for the foreseeable future, entirely unworkable.

The other point on scope, as my right hon. Friend the Member for Wells said at the beginning, is one of principle, not technicality. It concerns the retrenchment of devolution from a lot of rather angry Scottish lawyers, who will now have to submit their returns to Canary wharf.

The sixth area that I want to flag up is accountability. I welcome the statutory basis on which the consumer and practitioner panels are now operating, but they must be meaningful panels, amply funded, and not predominantly staffed by compliance officers. A bugbear of mine has been that the term "practitioner" appears to extend to compliance officers who have never sold or marketed a product in the financial services world in their life but are just lawyers. I hope that the FSA will not be dominated by compliance officers, especially as compliance officers working with firms will be liable to the full rigour of the FSA; but if duff compliance officers then trot off to jobs at the FSA they will be immune from prosecution.

It seems slightly odd that there is no requirement in the new rules in clauses 7 to 9 that the FSA, when issuing a consultation paper on new rules, should consult its own panels first, to refine and better hone those rules before, perhaps, they go out to general consultation.

I welcome the majority of non-executives who will now form the main board of the FSA and the fact that the senior non-executive will be the deputy chairman, but I do not accept that the role of chairman and chief executive should continue to be combined. Splitting those roles would be an excellent way of limiting the power of and the focus on one individual. It would also enhance the roles of the non-executive directors, who would not be just yes-men. I am sure that the current line-up will not consist only of yes-men, but the relationship between non-executive directors and a non-executive chairman is very different from that between non-executive directors and a combined executive chairman and chief executive. It would also help if control of the agenda were not in the hands of one man.

As my right hon. Friend the Member for Wells said, combining the roles is completely out of kilter with good corporate governance. The Cadbury code specifically states, in relation to the board of directors:

"There should be a clearly accepted division of responsibilities at the head of a company, which will ensure a balance of power and authority, such that no one individual has unfettered powers of decision."

It is slightly ironic that although the FSA has a format slightly different from that of a normal public limited company, the Government have chosen to go in the opposite direction.

I would query the way in which the FSA will be audited. We took suggestions that the function should be carried out by the National Audit Office, and it was probably shown that that was not appropriate. However,

[Mr. Loughton]

there are other alternatives. The Comptroller and Auditor General could have a right of access to undertake value for money scrutinies and report to Parliament; I hope that the Government will revisit that one. We might set up a special Committee of the House, along the lines of the Joint Committee on Financial Services and Markets, with powers to summon any FSA official to make submissions on the annual report or anything else, just as the relevant Senate Committee does in the United States.

The next aspect to which I draw attention is immunity from prosecution. It is my gut feeling that I do not like giving an organisation as strong as the FSA automatic immunity—the individuals in it perhaps, but the organisation, no—especially given the vastly increased powers that it would now have. Many City bodies that made representations to us said that there should definitely be some let-out for negligence, as there would be in the case of lawyers and doctors. In any case, that aspect may fall foul of the European convention on human rights.

I welcome the idea of the investigator for complaints, but I consider that it will be meaningless—and certainly not operating on a level playing field with the complainant—if the investigator has no power to award compensation. I do not want to go into great detail about the dilemma of civil and criminal definitions because the hon. Member for Stafford has done that in his usual erudite way, but I do not think that the problem will be resolved by the Bill.

We were told by the Treasury's legal advisers that European court case law is complex, sometimes unclear and still in an embryonic stage. If the process of the Bill becomes defined as criminal, it could become unwieldy, adversarial and expensive for the financial services industry. These are things that we want to avoid. We need to see further evidence of the Government's reasoned findings. We want to know that they have done their homework properly.

I welcome many of the innovations that the Economic Secretary mentioned. It is to be welcomed that the first instance tribunal will be independent of the FSA. Separating the investigation and sanctions roles by way of the enforcement committee is to be welcomed. There was talk of Chinese walls. That had a rather sentimental tone for me because it was all the rage back in 1986. Lo and behold, it seems that they are being repaired again. We need to know more about how the tribunal and the enforcement committee will interact.

As I have said, I welcome the submission that compelled evidence will not be used. It is also to be welcomed that legal aid will be available. That matches up with the equality of arms specification in the European convention on human rights. However, we do not know how that will be funded. The Government need to provide us with more detail. Will there be a levy on the entire industry so that there will be greater charges, which will then feed through to the consumer?

It is to be welcomed that the FSA will not include its own costs wrapped up in fines. I welcome also the availability of the safe harbour. Certainly, however, we have serious reservations about weaknesses in clause 95. I have a gut instinct against the ability to levy unlimited fines. However, I was probably persuaded that that was necessary to deter the larger operators, who were perhaps taking calculated risks and making a great deal of money, and that they should be hit hard where appropriate. If there is a penal fine, does the act by definition become criminal and again subject to the ECHR?

It is interesting that in the United States the FSA is part funded publicly—the stock exchange council—so that Congress retains greater control over its workings. Certainly, I welcome the proposals that fine income should be rebated gross, but I want to see how they will work in practice. Will there be aggregation over several years because of the great volatility in the fining system? What will happen about new members coming to the FSA? Will they qualify for reduced membership fees, whereas many other firms have paid increased fees for earlier years? The principle that these outcomes should not be seen as budgetary windfalls is to be welcomed.

I welcome the joining up of the eight financial scheme ombudsmen. This will give them the opportunity to raise their profile, as the umbrella group chairman told us. They will be able to make themselves better known and therefore more accessible to those members of the public who have genuine grievances that need to go to the ombudsmen.

There is still much work to be done, which is very important to the City, to the financial services industry generally and to the United Kingdom's trading position. It is also rather important to Howard Davies. As one journalist put it recently,

"Howard Davis stands to become one of the 10 most powerful people in the country, with enough independent authority and discretion at his feet to excite the envy even of a senior Cabinet Minister."

So powerful will the FSA and its governing body be that its members will be on a par with Members of the upper House and the monarch, subject to the House of Commons (Disqualification) Act 1975.

The financial services industry accounts for 7 per cent. of gross domestic product directly. We know that 90 per cent. of United Kingdom households use financial services products. The industry involves at least 34,000 regulated businesses, which will be covered by the Bill when it is enacted. It is vital that we get these matters right the first time. I hope that those who have the privilege to serve in Committee will bear that in mind.

8.40 pm

Mr. Andrew Love (Edmonton): Like other hon. Members, I welcome the Bill. I recognise the huge contribution that the financial services industry makes to the UK economy, and as a London Member, I acknowledge the industry's contribution to the London economy and to the standard of living of my constituents. I also recognise the many failures of the past and the complexity of the Financial Services Act 1986 and its interaction with the Banking Act 1987.

We all know that under the previous Acts, fraud in the financial services became a regular occurrence. We all remember the pensions mis-selling scandal, which is likely to cost some £11 billion. I welcome the long overdue overhaul of the previous legislation, and I particularly welcome the central role of consumers in the Bill. It is good that, as we have heard in the debate, there has been cross-party support for the Bill, and widespread support from those directly involved.

As my right hon. Friend the Chief Secretary said, the Bill will bring about regulation that is fair, clear and accountable, safeguarding the public interest. I recognise the contribution of the Joint Committee, which formed part of the so-called scenic route of the Bill's progress. I pay tribute to members of the Joint Committee for all the work that they did in such a short time, and congratulate them on grappling with the Bill's complexities.

As the only hon. Member on the Government Benches—and as one of the few hon. Members who have spoken tonight—who did not serve on the Joint Committee, I speak with some trepidation. As my hon. Friend the Member for Huddersfield (Mr. Sheerman) said, the Bill takes us in the right direction. But I have two interlinked concerns that go to the heart of the operation of the Financial Services Authority. I hope that the Standing Committee will take both principles on board in its deliberations.

The first is the need to maintain corporate diversity, which is necessary to ensure the widest consumer choice. Our financial services market is characterised by a multitude of organisations, not all of which have the same objectives—indeed, many have widely divergent rationales. We have member-based organisations, although the majority are shareholder-based companies. Some organisations are based on self-help and thrift, and a number of them are democratic and mutual organisations. Many do not put profit at the core of their activities, but many rightly do.

We have large organisations and small, regional and national. They range from small traders, through mutuals and co-operatives, to companies and international public limited companies. Such diversity is a strength in the marketplace and, more important, provides choice for the consumer. The consumer can choose a multinational offering a wide variety of financial services products, or go to his own community, to a small, locally based, perhaps even voluntary, organisation. That choice is currently available, and it should be part of the FSA's remit to ensure that it continues.

That diversity in the marketplace is to some extent at risk. That is partly because of legislative risk, intended or unintended, and partly because of the current tendency towards consolidation in the marketplace. The tendency to reduce diversity will also undermine the Government's attempts to end social exclusion.

Why should my worries about the tendency to reduce diversity be placed at the door of the FSA? The FSA was created from a diverse regulatory structure. As was stated earlier, nine bodies have been brought together to form the FSA, including the Registry of Friendly Societies, the Friendly Societies Commission and others. Those organisations had built up a body of experience and expertise in their areas, not to mention sympathy and understanding of the unique needs of the organisations that they regulated.

That has been partly recognised in the new structure. There are separate sections for all those different organisations, but they form part of a much larger organisation, which, to some extent, is dominated by the orthodox share capital company. The worry is that the unique needs and desires of the diverse organisations that are represented will not be recognised either within the FSA or at board or senior management level.

I have already mentioned continuing consolidation in the marketplace. Whether that is good or bad, and whether it is to be encouraged or resisted, is immaterial. The question is whether it is in the interests of the consumer. Developments in the marketplace that get rid of smaller, regionally based organisations—in some cases, efficient organisations—will disadvantage consumers because it will restrict their choice of provider.

All organisations seem to like the idea of one size fits all. If that takes hold in the FSA, it will reduce the influence of those who do not fit the standard package. That will lead to a lack of sensitivity to the different needs of those organisations, whose diversity will not be recognised. We must recognise that important principle, because organisations that do not fit the mould will be disadvantaged.

The FSA is to be funded by the financial services industry. If consolidation and domination of a particular type of organisation continue, the role of other parts of the market may be ignored or downplayed.

If the FSA is to be really effective, it must address the financial exclusion agenda that the Government have set. To do that, it must defend diversity. The organisations that have traditionally served the low-income end of the financial services market—organisations that are primarily motivated not by profit but by the desire to provide a service to their members—take many different forms. Whether they are based on voluntary action and the democratic impetus of building societies, the common bond of credit unions or the good fellowship of friendly societies, those organisations have a long history of representing the interests of low-income consumers. That should be recognised as a priority by the FSA.

According to the latest studies by the Office of Fair Trading, many people are self-excluded from the financial services market because they do not have any confidence or trust in major financial services organisations. When those people are asked about the major banks or insurance companies, they describe them as large, impersonal and far away. Such institutions do not offer the type of service that low-income consumers require, so they need to find their own solutions through their own organisations.

Most of the alternatives for low-income consumers are risk averse rather than risk taking. The simple reason for that is the alternative organisations do not have the capital to support them if they run into difficulties. However, being risk averse means that they have developed a range of low-risk products. Studies show that low-income consumers are looking for low-risk products, but if consolidation continues and the risk averse are replaced by risk takers, low-income consumers will no longer have an alternative. We will also see greater instability in the market. It should therefore be incumbent on the FSA to ensure that the market is not continually subject to the stresses and strains of the business cycle and the high-risk companies that will come to dominate financial services. In other words, diversity assists the stability of the market.

Diversity also assists competition. Anyone who examines the remaining building societies will know that, because they do not have shareholders and do not have to pay a dividend, they have a competitive advantage over ordinary share capital companies. The Consumers Association's studies over the past five years show clearly that building societies offer a better range of financial services products than their competitors. If those unique

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providers are lost to the marketplace, we shall also lose the competition that restrains the other companies from increasing their prices. It is therefore in the interests of the members of building societies and of consumers generally to maintain that diversity.

The alternatives can also assist innovation. Many of the other types of organisation have been innovative in providing products to low-income consumers—who are, after all, their bread and butter, and the market in which they have always been involved. That is why the FSA should consider corporate diversity as one of its principles.

The FSA should also recognise the need of vulnerable consumers to access financial services. That issue has been strongly promoted by the National Consumer Council, but I raise it in the context of the Government's priority of dealing with financial exclusion. The Government want the FSA to play a role in achieving that agenda, and the Select Committee on the Treasury, when it commented on the FSA, agreed that it should involve itself in tackling financial exclusion. There is a great need for it to do so. For example, very few products on the market are suitable for low-income consumers. The commission structures that operate in the financial services market militate against anyone who cannot afford the product taking up those opportunities. Everyone recognises that low-income consumers need financial advice perhaps more than any other section of the community, but they are completely priced out of the market. The recent Moser report showed that 40 per cent. of consumers had numeracy difficulties. That demonstrates the need for such financial advice.

Unfortunately, the charges for many of the products that are coming on to the market are prohibitive. One of the reasons for the personal pensions scandal was that pensions were sold to people who did not have enough income to afford the charges. Another problem is that the burden of regulation is continuing to increase. Several hon. Members on both sides of the House have mentioned that. For instance, during the past few years it has been made even more difficult for people on low incomes to do something as simple as opening a current or deposit account—those who are currently excluded from involvement in the financial services sector.

That is already having a dramatic impact. For instance, there has been an alarming decline in the old doorstep collection market. Traditionally, all the mutual and co-operative companies reached out to loan account consumers in that way, but many are having to withdraw from the market because of the regulatory burden.

Market segmentation is another factor. I do not want to go into the rights and wrongs of red lining, although I have been told that recent studies show it does not exist; but I think we can say that some communities are disadvantaged by the development of market segmentation, and certain individuals certainly seem to find themselves excluded. The consequent increase in direct marketing means that people no longer need to go to the bank; they are directly targeted at home with offers of all sorts of loans and other financial services.

That is good for those who receive the benefits. There has been an explosion of new products for people who are reasonably well off, whose choice has been enormously increased. However, something a little more sinister is happening at the same time. Direct marketing excludes a whole section of the community. The development of market segmentation and direct marketing has produced an enormous increase in choice for the majority, but an increasing number of people are being excluded from the services that they offer.

A recent report by the Office of Fair Trading on vulnerable consumers, resulting from a detailed study, showed how the financial services market could disadvantage a consumer on a low income, living in any form of social housing, perhaps in an isolated community, possibly disabled, and without access to information technology and all its benefits.

Mrs. Louise Ellman (Liverpool, Riverside): Will not the financial services sector have to address the problem of excluded consumers if, for example, the Government's new deal for communities programme is to succeed?

Mr. Love: I believe that implicitly. My point is that, as the Government are committed to addressing that agenda, the FSA, which will be the main regulator of financial services, must also be committed to the agenda. One way to ensure that that happens is to get the FSA to recognise the needs of excluded consumers.

I was about to read a letter from John Bridgeman, director general of the OFT, sent with the report on vulnerable consumers. It says:

"When concerns about who benefits from financial services regulation and who pays for it are added to the findings"—

of the report—

"the conclusion that financial regulation, in its widest sense, has failed to reflect the interests of vulnerable consumers is almost inescapable."

The report documents in great detail the reasons why consumers who are on low incomes, or vulnerable in other ways, have been excluded. It makes a major recommendation, saying that greater weight must be given to those people. Recommendation 1 states:

"in assessing consumer detriment and applying Cost Benefit Analysis to policy and regulatory initiatives affecting consumer welfare, not only the OFT but other government departments, regulators, and those responsible for self-regulation should give greater weight to the detriment suffered by low income consumers."

The Government have already recognised that. When the Bill is passed, we need to ensure it will be recognised also by the new Financial Services Authority.

I understand that the Joint Committee looked at that area in some detail. It concluded that to recognise any of those concerns could detract from the FSA's role as a regulator, but it is exactly its role as a regulator that leads in part to the exclusion of those consumers.

Mr. Sheerman: Having been on the pre-legislative inquiry, I have great sympathy with much of what my hon. Friend says—he and I have been closely linked with the co-operative movement—but I am struggling to see the FSA's role, as opposed to the Government's clear role, which is accepted, in promoting access for people in our communities who are excluded. In part, what we have seen over recent years is a withdrawal from the market of traditional suppliers. People knocked on doors about

insurance, credit and so on. One half were the saints who worked for friendly societies. The others were the sinners who charged extortionate rates of interest.

Mr. Love: I accept my hon. Friend's point. Of course, the primary role is for the Government to play. Indeed, I commend them on the priority that they are giving to dealing with social and financial exclusion. We are awaiting a number of reports—some of the committees have been chaired by the Economic Secretary to the Treasury—but the essential point with which I am struggling—badly, I accept—is that we cannot simply leave this to the Government.

There is a role for everyone who has an influence on the financial services market. Everyone has to play their part in ensuring that all consumers are recognised and receive the support that they need to be involved in the financial services market. That includes regulators. For that reason, I ask that some consideration be given to the principles that could be put in place to ensure that the FSA recognises that role for itself.

I say all that, but obviously I accept that the FSA's primary function, which I am not trying to undermine, is as a regulator: that must be its primary purpose. We should recognise that the FSA will have to adhere also to the principles stated in clause 1 of the OFT report, which should place more stress on the need to assist vulnerable consumers in gaining access to financial service products.

Many other regulators have a duty to protect vulnerable consumers. Legislation provides that the gas regulator has a responsibility for the sick, for disabled people and for pensioners, and the water regulator has some responsibility for recognising the needs of those living in rural communities. All hon. Members will accept that, if people are to have a reasonably good quality of life, gas and water services must be provided. I simply contend that some financial service products—such as those producing a decent retirement income—are also necessary in ensuring that people have a good quality of life. I therefore ask not for revolutionary changes in the Bill but for a recognition that the regulator should have some responsibilities in meeting those specific needs.

The Bill provides that the FSA will be a statutory body with a duty to protect consumers. One of the Bill's greatest innovations is that it will put the consumer at the centre of the FSA's activities, and that is very much to be welcomed. However, that duty will recognise and meet the needs only of the majority of consumers. Surely, as a minimum, the FSA should have a duty to ensure that all consumers—including those who currently do not benefit from financial services—should have reasonable access to those services. The voice of those who are unheard should be heard, and we might be able to accomplish that by giving the FSA a role to play in ensuring that it happens. I should like that principle to be enshrined in the Bill.

I welcome this long-awaited Bill—as hon. Members have said, it has been in gestation for almost two years. Its long consideration has ensured not only that it incorporates lessons learned from the past but that we have gained from the experience and expertise of all those involved.

In considering the Bill, the members of the Committee will have to address issues of consumer choice and financial exclusion—which are becoming ever-larger priorities for the Government—and of consumer access to financial services and organisational diversity in the financial services marketplace. If they can address those issues, the Bill will be greatly improved.

9.8 pm

Sir Robert Smith (West Aberdeenshire and Kincardine): I am pleased to follow the hon. Member for Edmonton (Mr. Love), some of whose comments are relevant to issues that I should like to raise—particularly on diversity, and on the role of regulation in ensuring diversity. The hon. Member for Huddersfield (Mr. Sheerman), in his intervention, highlighted some of the complexities of trying to deal with financial exclusion. The Committee will have to consider whether the Financial Services Authority should play a role in coping with the problems of such exclusion.

I particularly welcomed two statements in the Chief Secretary's speech: first, that burdens should be proportional; and, secondly, that he was seeking to reduce bureaucracy. I should like to express some concerns on behalf of two friendly societies in my constituency: the Braemar Royal Highland Society—which was also the first registered friendly society on the Scottish register—and the Lonach Highland and Friendly Society. Both friendly societies are probably better known to the wider society for their annual gatherings and games, and both have a long history of community activity, going back to the early 19th century. However, both are also facing disproportionate financial burdens.

The Braemar Royal Highland Society was founded as the Braemar Wrights' society, in 1817, but took its current name in 1826. As I said, it is listed as No. 1 on the Scottish register. Its 1996 accounts state that, in that year, the society expended £3,208 on benefits, but had to expend £1,165 on registration and auditing. The ratio of expenses to benefits has increased considerably since the introduction of the Friendly Societies Act 1992, which increased the cost of running societies considerably and obviously made it far less cost-effective to run small, historic, community-based societies than was traditionally the case.

The Lonach Highland and Friendly Society is operating under even more severe financial strictures because its expenditure on benefits—the total fund paid out—in the 1997 account was £186, but its management expenses, on regulations and all the associated costs, came to £1,598. The cost of providing the service was 10 times the amount of benefit that the society was able to achieve. Before the introduction of the 1992 Act, it was able to maintain the cost of administration, but since then the complexity of forms to be completed, the cost of necessary legal advice and the costs that go with the triennial review that has to be carried out during production of actuarial reports have combined to outweigh its ability to function.

During proceedings on the Bill, I hope that we can find a way to make sure that such societies can thrive in their communities. Exempting historic societies that date back to a certain time would be a simple and neat way of achieving that, although there could be problems with the number of members a society has, or a de minimis amount of funds under management could be specified. That would achieve a simpler way of regulating such societies, which are clearly based in their communities.

The potential for a major financial scandal in those communities is limited because everyone is everyone's neighbour, so it may not be necessary for the full weight

[Sir Robert Smith]

of the FSA to be used to regulate the daily activities of the societies. They have been important historically because they pre-date the welfare state and were a way for communities to provide for their future and for retirement and to safeguard against sickness. Those communities are rural and historically had larger populations so they would have been much larger societies in earlier times. In this day and age, it would be a pity if we could not find a way to allow the societies to continue to thrive in their communities.

I want to touch on a few other issues that were raised in the debate. The hon. Member for Huddersfield outlined the process undertaken by the pre-legislative Committee. I welcome that process and this is the right kind of Bill to subject to it. I hope that the membership of the Standing Committee will be diverse so that there is a different mindset as the Bill is taken forward; it needs further scrutiny and more work will have to be done.

We need a mixture of new and old minds to come together in Committee. Members on these Benches have traditionally preached and welcomed consensus. Perhaps I am going slightly off-message, but the danger in trying to achieve everything by consensus is that we lose sight of the big picture and cannot see the wood for the trees. At times, we need a little bit of grit and a little bit of diversity.

Mr. Sheerman: Is the hon. Gentleman volunteering to be a member of the Committee?

Sir Robert Smith: I am not sure that I am; I am wishing others well in that work.

This week's debate on an FSA is linked by a thread to last week's debate on another FSA—the Food Standards Agency. That thread is the problem that there is no such thing as a risk-free investment just as there is no such thing as absolutely risk-free food. An important point has been made about education and public awareness: we cannot gain something for nothing. When people enter the market to make money from an investment, they are putting that investment at risk. The risk is sometimes high and sometimes low, but if someone is offering an awful lot of money for little investment, the risk is probably much higher than that involved in achieving a small return.

It is important to help people to understand risk. Risk pervades an awful lot of decisions with which we have to cope and an awful lot of measures that go through the House. Politicians, the media and our education system need to provide people with a way of grappling with assessing risk and how to cope with it in daily life. I make a plea on behalf of the advice centres run by volunteers up and down the country. I visited an open day at such a centre in Stonehaven in my constituency. People have to pick up the pieces later, having failed to cope with financial management. It helps the industry and the public sector if advice centres are properly funded. If people in difficulty can get early advice, they have a chance to avoid getting into even greater problems that would leave the bank, the electricity board or the local council to which they owe money worse off than they would be if the problem could be sorted out.

As the hon. Member for Ryedale (Mr. Greenway) said, people will be confused by the fact that single regulation does not apply to everything. People will think that the product that they are buying is completely safe because part of it is regulated, but the other part may fall into another category.

I hope that the constructive spirit that has pervaded the Bill's passage to date will continue into the Committee to help the small, historic friendly societies in my constituency to thrive into the next century.

9.16 pm

Mr. Ian Taylor (Esher and Walton): The importance and dangers of a debate on the Financial Services Authority have been highlighted by the previous two speeches. I sympathise with the concern of the hon. Member for Edmonton (Mr. Love) about the disadvantaged consumer. Over the past 10 years, there has been a dramatic change in the population's financial awareness through such instruments as employee share ownership schemes—much in vogue with the Government, but which I did a great deal to encourage after entering the House in the late 1980s. However, there are risks that individual consumers will dabble in sophisticated financial instruments, or, by contrast, that people may not have access to wealth-enhancing instruments, which is wealth-damaging in a bull market.

The hon. Member for West Aberdeenshire and Kincardine (Sir R. Smith) also highlighted one of my key worries about the FSA. Although I am in favour of the FSA overall, the diversity of the nature of the consumer is of concern. I was once regulated by the Financial Intermediaries, Managers and Brokers Regulatory Association, and I know the advantages of having specific regulatory authorities for particular activities. I only hope that the enormity of the FSA's tasks do not prevent its being sensitive to the specific requirements of individual actions.

In an earlier intervention on the Chief Secretary to the Treasury, I asked about the jurisdiction problem in a global trading market, and I seek some reassurance from the Economic Secretary to the Treasury. The Joint Committee, of which I was not a member—nor, incidentally and for the benefit of my Whip, do I look forward to serving on the Standing Committee—doubtless considered the matter. However, as a former Minister for Science and Technology, I know the problems of jurisdiction in framing legislation. We are on the eve of publication of the Government's Bill on electronic communications, and we ought to be clear about what we are talking about. From one's desk one can trade on any stock market around the world. There are problems over whether the jurisdiction within which an organisation falls is at its place of work or registration. If it is a virtual company, it may be difficult to track down.

In a global competitive world, we must understand that the City of London should not be seen to be overburdened with regulation in comparison with other centres. We face difficult conundrums. The Bill must reflect the wider importance of e-commerce, which we shall discuss in more detail when the new Bill is presented to the House. The messages we send will be crucial. There is late trading. Even big houses such as Merrill Lynch are going on to the net. Specialist houses, such as Charles Schwab and Company, are doing so. It is now easy to evade national boundaries and still invest. The question is, is one investing wisely?

Finally, caveat emptor is an important criterion. Regardless of the concerns of the hon. Member for Edmonton, we must not invest so much concern in the

financial services industry that it makes its regulatory responsibilities impossible to deliver. There is a role for Government here. Let the FSA concentrate on building up a strong competitive financial community in this country, dealing with clients worldwide.

9.20 pm

Mr. Howard Flight (Arundel and South Downs): It is a great pleasure to shadow the Economic Secretary to the Treasury. I hate to say that we go back as colleagues more than 30 years—at university. She has changed not at all in that time. I cannot resist recollecting a marvellous party at the joint Oxford and Cambridge Conservative ball at Blenheim in which she participated. Our paths have gone different ways since then.

I declare an interest as in the Register of Member's Interests. I have worked in the financial services industry for the past 25 years in Britain, the United States, Hong Kong, India and Europe. I hope that I may be able to make some modest contribution to the debate from that experience.

It is axiomatic that, for a successful economy, a country needs good law and regulation and honest and open government. In 1986, when regulation started, my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) pointed out to me that with the big bang opening up London to the rest of the world it was inconceivable that one could manage without regulation. One could not rely on what had previously been viewed as the high standards of integrity in Britain.

The past 13 years have been successful. Standards have risen enormously in the financial services industry. Some of the weaknesses have stemmed from the fact that inadequate resources have been devoted to tracking down crookery and to educating the retail public and there has been rather too much simple checking of rules. There has been constructive dialogue and an open relationship between participant and regulator, which I hope will continue under the new regime.

This evening has been marked by quality rather than quantity. As many hon. Members have pointed out, financial services are the biggest industry in the United Kingdom—and the biggest exporter. Given that well over 1 million people are employed in that industry, it is crucial that legislation does not damage it. As my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) pointed out, that is the reason why Conservative Members oppose the common European withholding tax and the dangers of the thin-end-of-the-wedge effect that it could have on our international business. Britain's success in financial services goes back 400 years and has ultimately been based on integrity. Regulation is not a substitute for integrity.

When the Government came to office, they were a little glib. They thought that they must start again and rewrite regulation, to put in a single regulator. It has proven manifestly more demanding to craft and draft the necessary legislation. We will not end up with a new regime that is any cheaper. In many areas, the so-called one-stop shop is an illusion. Compensation schemes will have to continue much as they were, but under a single name. Many businesses that have different types of activity will have to be regulated by different divisions.

I praise the Government for the lengths that they have gone in consulting. In particular, I pay tribute to all those who took part in the Joint Committee on Financial Services and Markets, which as we all know has virtually rewritten the Bill.

In specific areas, the Bill still needs substantial amendment. I understand that the Government will be tabling many amendments; I can assure them that the Opposition will also do so.

First, we want to deal with the whole complex territory of structure that has already been alluded to. Although everyone in the House would agree that, in Howard Davies, we have an outstanding individual heading the FSA, that is not the long-term answer. The structure must be right if the authority is not to run into trouble in the future.

Another matter that has been well aired is that the Bill must not fall foul of the European convention on human rights. More to my liking, it must not fall foul of our inherited liberties, which go right back to Magna Carta. It is natural justice that people should be able to defend themselves when they are charged with serious offences.

Other aspects of the structure concern me. Hon. Members may not be aware that the FSA is already arguing that it has the power to control salaries in the City—that it is necessary that the salaries in the derivatives industry should not be so constructed as to encourage bad practice. That all sounds like jolly good stuff, but I am uncomfortable with a body that can claim such powers. As my colleagues have pointed out, there must be a powerful counter-balance to the leviathan that we will create.

In relation to maintaining both competition and competitiveness, competition is international and competitiveness is domestic; We believe that there should be objectives and not merely duties. The essential point is that if, for example, US bond dealers suddenly took all their business away from London because the code of conduct was insufficiently clear, or if the number of independent financial advisers shrank by a half, it would be possible for the industry to bring a convincing judicial review that the FSA was in contradiction of such key objectives as maintaining competition and competitiveness.

I am reasonably comfortable as to the fact that the tribunal will be sufficiently independent, but I suggest that, as well as separating investigation and enforcement units within the FSA, there are strong grounds for the enforcement unit to have a 50 per cent. practitioner content. I believe that it would be healthy if there were a built-in statutory duty to continue consultations with the industry. We need to clarify the regulatory position of accountants, lawyers and actuaries. What will require them to participate in the regime, and what will not? Rule interpretations should be available to the regulatory community; that should be a requirement in the Bill.

I also believe that transparency is at the heart of protecting citizens—I am surprised that that matter is not included in the Bill as an objective. If citizens are obliged to be told clearly about charges and the operations of financial products, they have the opportunity to digest that information. However, nowhere in the objectives can I find stated a requirement for transparency of information.

Other hon. Members have made points about the process of parliamentary accountability. The process is not democratic enough. I believe that the system under

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which the Securities and Exchange Commission reports to the US Congress is a more appropriate form of democratic accountability than that proposed in the Bill.

Several of my colleagues raised legal exemption. I argue strongly that cases in which negligent action by the FSA could prevent a person or a firm from carrying out their business should not be exempt. We should also accept the Joint Committee's recommendation that the FSA complaints commissioners should be able to award costs against the authority where damage has been done to businesses.

If we are to maintain our competitive position, we must have clear rules. Indeed, prior to the introduction of the current version of the Bill, the Association of US Bond Traders made it known that its members could not live with lack of clarity in respect of market abuse. Let us hope that that has been resolved, as the Government believe. I still believe that clause 95 is drawn too wide. I also believe that intent should be a fundamental requirement for the market abuse regime to apply. There is still a need for greater clarification of the definition of market abuse.

In many other areas, we are becoming accustomed to having to live with rules and regulations coming down from EU directives without passing through Parliament for scrutiny and enactment. Here we have three different layers: primary legislation, secondary legislation, and the main body of what will emerge from the legislation, which are the FSA rules. We all know that flexibility is necessary because markets change, but I am concerned about some powers that currently lie within rule making that might better lie within secondary legislation, if not within primary legislation.

As the House will be aware, it is currently intended that the FSA will be empowered to make rules relating to money laundering internal controls, and then itself to prosecute under those rules. Money laundering is a field of criminality that we all want to eliminate, and it is essential to police money laundering, but I personally believe that it should be more the responsibility of this House than of the FSA.

Mr. Sheerman: The hon. Gentleman keeps saying, "I believe", but I understand him to be speaking for Her Majesty's Opposition. Some of his remarks do not square with what we have heard either in Committee or from other Opposition Treasury spokesmen. That worries me. Perhaps he should read the words of wisdom contained in one the finest documents that has been produced on this subject: the House of Commons Library research paper by Christopher Blair, which was published last week. It deals, not only with the Bill, but with the whole range of achievements arising from financial services legislation to date.

Mr. Flight: I agree that that publication is an excellent publication. When I use the singular rather than the plural, I am presenting the arguments that the Opposition team has discussed and agreed.

It appears that it was only at the last minute that the Government focused on which territories and which participants in the industry the Bill would cover. Much has been said today about mortgage lending, but I shall add two further points. First, the mortgage industry is in limbo until it knows whether it is to be covered. Secondly, I should like to concur with the remarks of the hon. Member for Twickenham (Dr. Cable), who raised the issue of transparency of charges and offers, which applies to bank lending as well as to mortgage lending.

Much more seriously, the Government appear to have forgotten about themselves. The Government are in the business of selling financial products and giving financial advice. We are all aware of the misadvice given by the Department of Social Security in respect of the reduction in SERPS widows pensions next April. I do not perceive the logic in the private sector having a regime of rules on the basis of which it provides financial advice and sells products, but organs of Government that do the same not being the subject of the same rules.

I raised the issue of the Post Office selling gilts, to which the Treasury responded that the Post Office was covered by the Banking Act 1987. However, the Banking Act expires when the Financial Services and Markets Bill goes on to the statute book. The Opposition believe that where the Government and Government agencies are involved in the financial services industry should be covered by the Bill.

The issue of double jeopardy has also not been wholly resolved. When an individual complains to the FSA that he or she has suffered loss, it is up to the FSA to decide whether or not to award restitution. The FSA may impose a fine if it finds someone guilty, but it can also choose whether to award restitution to the person who has suffered loss. That individual may have to go to the civil courts to claim separately, and we believe that is an unnecessary double jeopardy. It overdoes things, both for the individual and for the institution involved.

Much has been said this evening about the institutional versus retail sectors, and I shall make two key points in that regard. On the institutional side, high standards of conduct are just as, if not more, important than on the retail side. For example, Barings could have not only caused a systemic crisis but generated substantial losses for ordinary citizens where Barings was a custodian of various funds. To differentiate between the two, the institutional side needs higher standards of conduct than the retail side because so much is at risk. We know that we must protect the retail investor, but that is a different issue. Educating and protecting the retail investor is important, and the Bill provides for that. However, there is some risk of overprotecting retail investors; it is dangerous if citizens believe that compensation schemes or Governments will cover any wrong decisions that they might make.

My hon. Friend the Member for Ryedale (Mr. Greenway) pointed out that financial advisers require the machinery to allow them to check immediately whether the advice that they have given is compliant if we are to avoid the problems of retrospective and inconclusive debate.

I refer finally to the point made by my right hon. Friend the Member for Wells. In the area of banking supervision, it is crucial that decisions are taken speedily when a systemic crisis arises. Although the same Bank of England team has moved to the FSA and there will be ongoing consultation, we are concerned that, in a systemic crisis, two different arms will deal with the institutions involved. That is unfortunate, as Alan Greenspan also pointed out. I remember how close this country came to a systemic crisis in 1974.

That point touches also on the crucial issue of the chairman and chief executive. It has been argued that, like the Bank of England, the buck must stop with one man in the FSA. That is clearly true, but it is certainly not an argument for not having an experienced senior non-executive chairman with whom the chief executive may consult—which is the general practice in commerce nowadays. We want to see powers to that effect in the legislation.

This is not a red-hot party political issue. As we have heard this afternoon and this evening, there is a great deal of agreement, consent and support for the Bill as it has emerged from the Joint Committee process. However, it is one of the most important and complex pieces of legislation that the Government have brought forth. Contrary to some public perceptions, only a small number of hon. Members have experience of the financial services industry. The Bill still requires considerable improvement and we will be interested to see what amendments the Government will table. We will also table many amendments in the areas that we have discussed. There is still no requirement for cost benefit analysis and many definitions in the Bill remain unclear.

We must get the legislation right. The jobs of more than 1 million people are at risk, as is our biggest single export. We are nearly there but, as other hon. Members have said, there is much more work to be done on the Bill.

9.40 pm

The Economic Secretary to the Treasury (Ms Patricia Hewitt): I begin by congratulating the hon. Member for Arundel and South Downs (Mr. Flight) on his first appearance as a member of the Opposition Treasury team. He is right in recalling that we were at Cambridge together, but our ways parted after that: he went into the City and I went off to protect civil liberties, and I shall continue to protect civil liberties in helping to pass the Bill.

We have had an extremely well-informed and thoughtful debate. Excellent contributions were made by several hon. Members who served on the Joint Committee of both Houses, including my hon. Friend the Member for Huddersfield (Mr. Sheerman), who served as an outstanding deputy Chairman, and my hon. Friends the Members for Stafford (Mr. Kidney), for Bexleyheath and Crayford (Mr. Beard), for Warwick and Leamington (Mr. Plaskitt) and for Erewash (Liz Blackman). The quality and tone of the debate reflects the high standards established in the Joint Committee to which my hon. Friends and many other hon. Members have referred.

I want to echo the thanks offered by hon. Members on both sides of the House to the noble Lord Burns for the exceptional way in which he chaired the Joint Committee. His transition from outstanding permanent secretary to outstanding parliamentarian is complete. I want to thank the members of the Committee from all parties and the Clerk to the Committee for their work within an exceptionally tight time scale. As well as contributing substance to our reflections on the Bill, the two reports were a pleasure to read, and I think, Madam Speaker, that you will forgive me for saying that one cannot always say that of reports produced by Committees of the House.

As many hon. Members have said, the Bill marks a new era in financial services regulation. It also marks a new approach to legislation. That has been reflected in many speeches in this debate, which have endorsed the contribution made by the process that we adopted for the introduction of the Bill to modernising our procedures and ensuring that legislation, particularly on complex and technical matters, is as good as we can possibly make it.

The consultation process was excellent, and I thank Treasury officials and, in particular, parliamentary draftsmen for their outstanding work. There is no doubt that as a result of our consultation with the industry and consumer groups, and of the work of the Select Committee on the Treasury and the Joint Committee, this is now a much better Bill. Of course, there will still be plenty of work to do in Committee, but we have a Bill of which we can all be proud.

I turn now to the helpful contribution made by the right hon. Member for Wells (Mr. Heathcoat-Amory). On behalf of the Government, I thank him for confirming that the Opposition have agreed to our proposed use of the carry-over procedure for the Bill. I know that the City and the industry will be greatly reassured to hear that there is now a clear timetable for proceeding with this enormously important work, that the House has adopted such a sensible approach to legislation about which there is no partisan disagreement, and that there is recognition across the House of the importance of the industry and the importance of the Bill to that industry. I thank the right hon. Gentleman for his kind remarks on my two appearances before the Joint Committee, which I thoroughly enjoyed.

The right hon. Gentleman raised several issues and I shall try to respond briefly to them. He mentioned the draft codes and secondary legislation. The Financial Services Authority has already published a draft code on market abuse and consulted extensively on that. It has now made an initial response to the consultation and is working with practitioners to develop a new draft of the market abuse code. That is, of course, only one consultation process that the authority is carrying out. The Treasury is itself consulting on the scope of regulated activities. We published a draft order on the scope earlier this year.

The right hon. Gentleman also raised the issue of Scottish solicitors and the devolution question. As my right hon. Friend the Chief Secretary to the Treasury made very clear, the Financial Services Authority will be responsible for regulating financial services throughout the United Kingdom, which is right. The matter is clearly reserved under devolution.

There is a technical issue of whether amendments to the Solicitors (Scotland) Act 1980 will be necessary and what the relevant procedures would be if amendments were required. We are looking at that further, although the FSA is considering the proposed regulatory regime that should apply to professionals who require regulation. I am glad to say that the Financial Services Authority is holding a special conference in Edinburgh today as part of that consultation.

The right hon. Member for Wells and several other hon. Members raised the issue of statutory immunity. I must make it clear that in no way is this immunity from criminal prosecution. It is very important that we keep in our minds the distinction between civil and criminal procedures, which crops up at various points. I remind the House that, first, it is the first principle of the Basle committee that banking supervisors should have immunity

[Ms Patricia Hewitt]

from civil actions for negligence—otherwise it would be quite impossible, as some hon. Members have pointed out, for such supervisors to carry out their task effectively.

Secondly, as my hon. Friend the Member for Erewash pointed out in a very careful and thoughtful speech, the Joint Committee accepted that statutory immunity was the right position to take, provided that there was in turn a strengthened complaints process. We have sought to implement that through the redrafted Bill. Statutory immunity does not apply to actions in bad faith; nor does it apply to actions under the Human Rights Act 1998 or to actions for judicial review. The Financial Services Authority remains fully accountable to the law and the courts.

The right hon. Member for Wells and several other hon. Members, including the hon. Member for East Worthing and Shoreham (Mr. Loughton), raised the fear of over-regulation of financial services and thus a threat to competitiveness. That is a very important consideration, and one that was uppermost in our minds in formulating policy and drafting the Bill.

The essential points on the matter were made by my hon. Friend the Member for Warwick and Leamington in a very well-informed speech. Competitiveness, as he stressed, depends on sound regulation. In the modern global economy, particularly in the financial services industry, regulation is a vital source of competitive advantage. One must get it right. If one gets it wrong, regulation can become a source of competitive disadvantage. That is why we have included in the Bill the principles to which the FSA must always have regard: competitiveness and competition. I have no doubt that we shall return to these matters in Committee, but I would be concerned about trying to impose on the FSA yet another objective.

I should stress a point that has not yet been made. There is a significant innovation in the Bill: we are subjecting the FSA, as the regulator, to competition scrutiny. The Office of Fair Trading will be able to scrutinise the FSA's rules for the impact on competition, and if there is a concern that the rules have an unjustifiably and anti-competitive effect, the matter will go to the Treasury.

Several hon. Members referred—rightly so—to the importance of the City of London as a major financial centre. I can inform the House that, just today, we have announced the recognition of Eurex Zurich as an overseas investment exchange, giving participants in the London markets even greater choice and a new opportunity to deal directly with another overseas exchange. More overseas exchanges do business in the United Kingdom than in any other country, and today's announcement emphasises our pre-eminence as a global financial capital.

The hon. Members for Twickenham (Dr. Cable) and for Ryedale (Mr. Greenway) and my hon. Friends the Members for Erewash and for Bexleyheath and Crayford raised the extremely important question of the regulation of mortgages. We dealt with that subject in some detail in our response to the first report of the Joint Committee. The hon. Member for East Worthing and Shoreham rightly stressed that many aspects of mortgage sales are already regulated under the Consumer Credit Act 1974 and the unfair contract terms regulations, and that the sale of endowments in connection with mortgages is regulated.

We must consider the costs and benefits of bringing all aspects of mortgage sales and advice within the scope of the new Bill. In 1995—the latest year for which I have full figures—there were about 50,000 complaints in relation to some aspect of mortgages. That is about 0.5 per cent. of the 10.5 million mortgages that there are in this country. We shall review the matter very carefully. As I have said in the House on various occasions, we want to study the impact of the new code of practice of the Council of Mortgage Lenders, and we shall return to the House with a decision on the issue before the end of the year. I have received extremely useful information from some trading standards officers—notably those in Suffolk—but I shall see whether further information can be gleaned from them that would help.

As one would expect, the right hon. and learned Member for North–East Bedfordshire (Sir N. Lyell) made a most interesting and learned contribution. He specifically drew attention to the non-enforceability of contracts where one party to the contract is a non-authorised person but should have been authorised—a matter covered by clauses 24 and 26. Those clauses reproduce what has been the law since 1986. They are not a new feature of the situation. I draw the right hon. and learned Gentleman's attention to the fact that they do not make contracts in those circumstances completely unenforceable, because clause 26 gives the courts discretion to enforce a contract if it would be just and equitable to do so and if the person involved reasonably believed that there was no unlawful activity. I hope that he will be reassured on that point, but I am sure that we shall return to it in Committee.

The right hon. and learned Member for North–East Bedfordshire, the right hon. Member for Wells, the hon. Member for Arundel and South Downs and several other hon. Members spoke about the structure of the Financial Services Authority board and the split between the roles of chairman and chief executive. That is a matter on which we have reflected further following the first report of the Joint Committee. We explained in our response to the Committee why we felt, despite its recommendation, that it was wise to keep a single post holder for both posts. The FSA is not a public limited company operating in the marketplace with shareholders to whom it is accountable as well as an internal organisation to run.

The memorandum from the non-executive members of the board of the FSA, which we published in our response, clearly expressed their conviction of the need for one person to be vested with the responsibility for clear and authoritative decision making, possibly in conditions where very fast and very important decisions are required, and of the need for a clear line of accountability, not least to Ministers and, through us, to the House. We shall continue to reflect on that issue. I draw hon. Members' attention to the fact that the Bill is silent on that point.

The right hon. Member for Fareham (Sir P. Lloyd) raised the extremely important question whether the Financial Services Authority in the new regime will be better than what it replaces. My hon. Friend the Member for Stafford cogently explained the need for the new regime and the benefits that we shall obtain from it.

I shall summarise some of the advantages of having a single regulator. We avoid the danger of the inconsistency, overlaps and gaps inherent in having nine different regulators—an underlying problem that helped to give rise to the scandal of personal pension mis-selling.

We shall reduce costs. It is highly significant that the FSA in 1999-2000 will have lower real operating costs than its predecessor bodies had in 1997-98. By bringing together the staff and the rule books of the nine predecessor regulators, it will be able to share best practice and to establish the highest standards.

Perhaps most important of all, the new regime fits the new marketplace. The boundaries between the old sectors of financial services are increasingly being dissolved under the pressures of global competition and the opportunities as well as the pressures created by modern information and communications technology. As we see financial services supermarkets being created, offering a variety of different services and products, so we need a regulatory supermarket that can keep up with their regulatory requirements.

We are already seeing the advantages of the single regulator as the FSA creates its new complex group division: a complex financial services company, instead of having to deal with two or even three regulators, to manage those relationships and to meet all the compliance costs to which they give rise, can now deal with one group of staff within the FSA. As the regulatory impact assessment makes clear, we shall see real savings in compliance costs.

The hon. Member for Ryedale has extensive knowledge of the insurance industry, not least as treasurer of the Insurance Brokers Registration Council. It is our intention to repeal the main provisions of the Insurance Brokers (Registration) Act 1977. The Bill includes the power to make repeals by order, but I propose that we shall bring forward some of the more substantial or significant repeals through amendments to schedule 17, so that they can be dealt with directly in Committee.

I am sure that the House is grateful to the hon. Member for Ryedale for his interest and his efforts in making sure that the successor arrangements to IBRA command the confidence of consumers. It is far too early to conclude that the General Insurance Standards Council will not be a success. We are encouraged by the response of the industry to the challenge that we have set. I am sure that the new council will work well with the FSA to achieve high standards in this important area.

The hon. Member for East Worthing and Shoreham and some other hon. Members raised the important question of systemic risk and how dangers would be averted. The respective responsibilities of the Treasury, the Bank of England and the FSA were clearly set out in the memorandum of understanding that was agreed and published in 1997. It is a flexible mechanism, and necessarily so given the fast-moving conditions with which regulators have to deal.

The minutes of the meetings of the three bodies are not published, and rightly so. By their very nature, these discussions are likely to concern commercially sensitive and highly confidential matters that it would not be appropriate to make public. However, there is now clarity in the responsibilities of the three bodies, not least because the Bank of England is responsible as the lender of last resort. The FSA is responsible for regulation. There can be no risk of any suspicion of banks being bailed out to conceal failures of regulation.

This is an excellent Bill. I have no doubt that the excellence of tonight's debate will be reflected in our proceedings in Committee.

Question put and agreed to.

Bill accordingly read a Second time, and committed to a Standing Committee, pursuant to Standing Order No. 63 (Committal of Bills).

FINANCIAL SERVICES AND MARKETS BILL
[*MONEY*]

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a),

That, for the purposes of any Act resulting from the Financial Services and Markets Bill, it is expedient to authorise the payment out of money provided by Parliament of—

(a) any expenditure incurred by a Minister of the Crown in consequence of the Act; and

(b) any increase attributable to the Act in the sums so payable by virtue of any other Act.—*[Mr. Mike Hall.]*

Question agreed to.

FINANCIAL SERVICES AND MARKETS BILL
[*WAYS AND MEANS*]

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a),

That, for the purposes of any Act resulting from the Financial Services and Markets Bill, it is expedient to authorise the imposition of charges to income tax and corporation tax by provisions of that Act relating to the treatment for the purposes of the Income and Corporation Taxes Act 1988 of payments made as a result of any provision of the Financial Services and Markets Compensation Scheme providing for the repayment of levies paid under the Scheme.—*[Mr. Mike Hall.]*

Question agreed to.

Alzheimer's Disease

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Mike Hall.]*

10 pm

Dr. Vincent Cable (Twickenham): It is a pleasure to introduce the debate, which is essentially concerned with the problem of Alzheimer's disease and the accessibility of drugs with which to treat it. The Minister is well aware of my interest in the subject, as I put an oral question to him recently, which he answered sympathetically, without quite giving the answer that I sought. I have a broader interest in the subject of age discrimination in the health service, or the lack of priority given to medical treatments that apply particularly to the elderly part of the population.

My interest in these matters is supported by substantial groups outside the House of which I know the Minister is aware, in particular Age Concern and the Alzheimer's Disease Society. In many respects I am speaking on their behalf.

There are 700,000 people in the United Kingdom who suffer from senile dementia, about 400,000 of whom suffer from Alzheimer's. Despite their substantial number, sufferers are largely hidden. They do not have a strong voice in the community, in many cases for obvious reasons. Those in the advanced stages of the disease cannot communicate; they do not vote or write. Even those who are not in the advanced stages are not paraded in public by their relatives. Often they are very old.

Alzheimer's is still an embarrassing illness. There are some famous people, including Sir Harold Wilson and Ronald Reagan, who have suffered from the disease, but in general it is not something that society chooses to advertise. Therefore the problems associated with the illness are frequently hidden.

Those who saw a powerful television programme last week on ITV—"Malcolm and Barbara: A Love Story"—saw in a graphic way what Alzheimer's disease does, particularly when it strikes prematurely. The programme described eloquently and movingly how it starts with loss of memory—in this case, a journey down the wrong side of the M11 signalled the onset of the disease—followed by increasing inability to function, to pay bills or to hold down a job; a medical diagnosis that was wrong—the patient was treated for depression; and then the worsening of the disease.

That was a particularly sad case, involving a highly talented, creative musician in a strong, loving relationship that was put under strain. As the disease advances, people cannot cope any more and lose the capacity to make love. In the case described by the programme, after four years the gentleman had to go into a home, which is where most sufferers finish.

A few days ago I encountered a rather similar case in my surgery—a 51-year-old man who had been through most of that progression and faced all those problems, with the additional problem of poverty. In the early stages of Alzheimer's, people lose the capacity to hold down a job, and because they have not had a job, they have not made contributions, so they do not qualify for incapacity benefit. In this case the man was on the lower levels of disability living allowance, so he and his partner were facing not merely all the indignity and the pain of Alzheimer's, but poverty as well.

However, this debate is not about the social aspects of Alzheimer's or about benefit. It is about how the NHS deals with it, and specifically about the drugs available to deal with it. Although I am not a medical doctor, I shall summarise the present state of play. There are drugs available—Aricept and Exelon are the most well known—that have, as established by the medical profession, an impact on the disease. They cannot treat all patients—they cannot treat patients in an advanced stage of the disease—but for the early and middle stages of the encroaching disease of Alzheimer's, they have a significant effect in alleviating the symptoms. Because they alleviate symptoms, they ease the psychological pain of the people suffering the illness and the burden on carers.

There is an established medical consensus that that is the case. I am sure that it is known in the Department that two influential academic studies were published in March, which brought much of the research together. I shall summarise the last sentence of the papers, which shows where the research now stands. The first said:

"Thus, despite variations in local diagnostic and treatment practices, this big multinational study demonstrates that . . . therapy is an effective and well tolerated symptomatic treatment for patients with mild to moderately severe Alzheimer's disease."

The other, which concluded in much the same way, said:

"This study provides evidence of the efficacy of"—

the drug

"in alleviating the core cognitive and functional symptoms of patients with mild to moderately severe Alzheimer's disease over 6 months."

Drugs with demonstrated, scientifically proven results are therefore available.

This brings me to one of my main concerns about the Government's handling of the problem. The Alzheimer's Disease Society is concerned that, despite scientific research, the Government are still carrying out clinical tests in which patients are fed placebos. Clearly, those have no therapeutic benefit. The society has even suggested that medical ethics are being infringed, because it is wrong to carry out experiments that involve feeding patients a placebo when it is known that a drug which alleviates their symptoms is available.

Medical research shows that the availability of drugs brings not merely physical and psychological benefits to patients, but substantial benefits to carers, many of whom have to give up their jobs to struggle with patients in physically and emotionally difficult circumstances. In the terminal stages of the illness, a substantial burden of care is placed on local authorities, many of which have to fund treatment in residential homes.

In those circumstances, one has to question how the national health service deals with the problem. In a parliamentary answer to me several months ago, the then Minister gave a slightly disingenuous reply. He said that the drugs for Alzheimer's disease were prescribed in 99 per cent. of health districts. Technically, that is correct; the 1 per cent. represents Croydon, where there is no NHS prescription at all. The fact remains that, throughout the United Kingdom prescriptions are hard to come by. Indeed, there is an enormous divergence. Apparently, the drugs are freely available in Northern Ireland. That reflects the fact that a liberal spirit operates there, probably because NHS doctors collaborate closely with social services, where the benefits to carers are more clearly apparent.

In many parts of the country, however, carers of Alzheimer's patients have to buy the drugs on private prescription at a cost that ranges from about £70 to £140 a month, which is beyond the means of anyone who is not relatively well-heeled, and certainly way beyond the means of most elderly people.

The question arises about why the Government do not move more quickly to make those drugs available on prescription. Why are those divergences tolerated and why are not the Government more positive in promoting treatments that would benefit patients and their carers, and possibly provide an aggregate saving to society as a whole? One factor that probably lurks behind all this is cost. If one does a mechanical calculation of £1,000 a year, which is the approximate cost to the health service, and multiplies it by 400,000, which is the number of patients, one comes up with the substantial sum of £400 million. In practice, however, the cost is nothing like that because patients in the advanced stages of the disease would probably not respond to the drug and for others it would not be appropriate. In any event, we must set the cost, even if it is substantial, against the benefits that would derive from improved care.

Will the Minister look carefully at how the NHS approaches the problem? I have one specific request, which I put to the Minister in my parliamentary question. He did not answer then, but I hope that he will do so now. What priority will the drugs have under the National Institute for Clinical Excellence system that is being established? Many of us welcomed that system as a rational, scientific way in which to approach priorities in the NHS, but—given the powerful case for treating the drugs that I have mentioned as a priority—it would be reassuring to those dealing with the issue professionally and socially to know that their case will be one of the first to be considered by NICE.

I hope that the Government will take this opportunity to show a willingness to deal positively with some of the medical problems associated with ageing. Many people have an underlying concern that if Alzheimer's disease applied to the young or had a higher profile, like AIDS, much more money would be spent on research and the drugs that I have mentioned would be more easily dispensed. However, the aged are relatively unfashionable and a politically less attractive group and have therefore perhaps escaped the high priority that they otherwise might have enjoyed. I hope that the Minister will be able to reassure me on that point, which would advance the agenda for the victims of Alzheimer's disease.

10.11 pm

The Parliamentary Under-Secretary of State for Health (Mr. John Hutton): I congratulate the hon. Member for Twickenham (Dr. Cable) on raising this subject tonight and on his thoughtful and well informed comments. I shall try to address his specific questions later in my remarks.

The hon. Member for Twickenham is clearly aware that Alzheimer's disease and other forms of dementia are among the biggest challenges to health and social care both now and into the next century. Some 600,000 people in the UK have some form of dementia, and of those, over half are affected by Alzheimer's disease. About one person in every five over the age of 80 has dementia, but it is not just a disease of old age. It can begin in someone's 30s or 40s with a devastating impact upon their employment, family life and life expectancy. The hon. Gentleman referred to some of those situations.

Although much has been discovered about Alzheimer's disease, for example its genetic basis and the molecular biology of its pathology, there is no treatment yet available to reverse its course or provide a cure. Current treatments are therefore more concerned with reducing its impact, either by treating symptoms or by offering support to patients or their carers.

In considering the treatment of Alzheimer's disease, it is important to think about more than just drug treatments. The hon. Member for Twickenham raised the subject of recently licensed drugs, but before I turn to that issue there are other aspects to consider, including personal care and daytime activities. I know that the hon. Gentleman is concerned about the treatment provided within the NHS, but we should not lose sight of the other aspects of care. We also need to consider psychological treatments, nursing care and general medical support. Patients may require referral to specialist mental health services for diagnostic assessment or advice about medication or other aspects of their care.

I must stress to the hon. Member for Twickenham that the Government take the issue of equality in every area of health care very seriously. The NHS White Paper "The New NHS" sets out proposals for a new national performance framework for the NHS which focuses on areas of performance that really matter. One of those areas is fair access to health services in relation to people's needs, irrespective of geography, class, ethnicity, age or gender. There can be no exceptions to the fundamental rule that the NHS is there to provide services for everybody on the basis of clinical need.

I have heard the complaint, as many other hon. Members probably have, that the NHS is discriminating against people with Alzheimer's by limiting the prescription of certain new drugs. I will come to that issue in a moment, but let me make it clear that if a consultant prescribes those drugs as part of NHS treatment of an older person, they are provided free at the point of use. It makes no difference if the older person is in hospital, at home, or in a care or nursing home: if they are receiving NHS care their drugs are free. Some people may choose to seek private treatment, which may include receiving such drugs on private prescription, but that is a matter between them and the doctor they are consulting.

It is however important to recognise that priority setting is a necessary part of any health care system, as I am sure the hon. Gentleman agrees. It has always occurred in the NHS and will continue to do so. It is right and proper that we set priorities that give the best results for the population as a whole, as well as meeting individual needs.

The national health service always does its best to help to meet people's legitimate health concerns, but the fact is that not all treatments are proven to be effective, and it would be wrong of the NHS to divert resources from treatments that are known to work to fund others that do not. But prescribing is not just about access to treatments; older people may also be at risk from the over-prescription of drugs. All prescribing for older people should be undertaken and monitored very carefully, particularly for those in residential and nursing homes.

[Mr. John Hutton]

People with dementia may be especially sensitive to the side-effects of drugs acting on the nervous system. Neuroleptics can be useful in treating agitation and aggressive behaviour in people with dementia, but such drugs may have serious side-effects, such as sedation, decreased mobility and a propensity to fall and to suffer accidental injury.

Guidance in regard to prescribing and monitoring is available to doctors from such sources as the British National Formulary and the Drugs and Therapeutics Bulletin. The report "Drugs and Dementia", published by Age Concern in 1998, usefully recommends attempting to reduce neuroleptic dosages at least every six months.

Perhaps the main issue raised by the hon. Member for Twickenham was that of drugs. Of course, we all hope that drugs will soon become available to reverse the underlying disease process, and prevent the inexorable decline into dementia; however, no drug is yet available that can be regarded as a cure.

So far, two drugs have been licensed in the United Kingdom for use in the treatment of Alzheimer's disease. The first, to which the hon. Gentleman referred by its trade name of Aricept, was licensed in February 1997, after evaluation by the Medicines Control Agency of all the evidence. That included clinical trials, following the advice of the Committee on Safety of Medicines. The second drug, rivastigmine—known as Exelon—was licensed last year. Both drugs have a similar mode of action, in that they are a symptomatic remedy aimed at boosting levels of one of the neuro-transmitters, or brain chemicals, which are known to be depleted in Alzheimer's disease. Several other drugs of the same kind are well under development, but are still awaiting licences.

Published clinical trials indicate that both donepezil—the generic name for Aricept—and rivastigmine produce modest improvement in memory for some but by no means all patients. There are currently no means of predicting which patients will show a good response. So far, there is a lack of evidence that the response that is seen is clinically significant, or that prescribing either drug is cost-effective. Several reviews, including in the Drugs and Therapeutics Bulletin—the hon. Gentleman might have referred to that—have concluded that the evidence was insufficient to warrant widespread use.

In view of concerns about the possible costs and about potential inequities in prescribing, through the Standing Medical Advisory Committee we have produced guidelines on the use of these anti-dementia drugs. The guidelines recommend that treatment should be initiated and supervised only by a specialist experienced in the management of dementia, that benefit should be assessed at 12 weeks, and that treatment should continue only when there is clear evidence of benefit. Given the deficiencies in evidence regarding clinical benefit and cost-effectiveness, a large trial known as AD2000 is currently under way in the west midlands to examine the issues, including the possible impact of donepezil on the need for respite and other forms of long-term care.

The hon. Gentleman expressed concern about the ethical basis of those trials. I hope I can reassure him: I understand that the trials comply fully with all the appropriate ethical standards.

Several other agents are being evaluated for possible use. Some are drugs with licences for other conditions—for instance, anti-inflammatory agents, or oestrogens—while others are preparations available over the counter, such as vitamin E and gingko biloba. There is modest evidence that each of those may help some patients, but there is currently not enough evidence to recommend widespread prescribing. There is certainly no evidence that any represents a cure for Alzheimer's disease.

The Government are committed to providing support for research into dementia. This year, the Medical Research Council spent over £6 million on such research. It has supported 53 projects in the last three years. In addition, the council has made a number of substantial investments in the area of dementia. A new development grant for research into brain ageing has been awarded in partnership with the university of Newcastle for the examination of the pathology and diagnosis of dementia. That will commence next year. There is also the multi-centre study of cognitive function on ageing, a major 10-year study funded in collaboration with the Department of Health.

In that context, the hon. Member for Twickenham asked a specific question about the work of the National Institute for Clinical Excellence. I will not be able to confirm the institute's early-work priorities in the debate, but I think that an announcement will be made in the near future.

On health services for patients with Alzheimer's disease, the hon. Gentleman and the House will be aware of the Government's commitment to improving the position of older people in general, including those suffering from Alzheimer's disease. This is the United Nations international year of the older person. The Department of Health is actively supporting the year—a grant of £200,000 has been made available to support the campaign's good management and operation.

The Department of Health's policies form part of the Government's overall drive to promote the independence of older people, giving them more say and more control over the services that they receive. We wish to include people, to modernise services, to reduce inconsistency in access to services, to raise standards and to disseminate good practice through evidence and pilots.

The discussion document "Partnership in Action", which was issued last September, set out the Government's proposals to address the barriers that prevent health and social services from working more closely for the benefit of service users. "Partnership in Action" includes proposals to allow health authorities and trusts to pool budgets with local authorities and to delegate their commissioning and providing functions to one another. The proposals in "Partnership in Action" can be seen as part of a much wider Government strategy to address institutional and organisational barriers that prevent individuals from receiving the services that they need.

The national priorities guidance for 1999-2002 sets "promoting independence" as a key objective for health and local authorities. It requires authorities to reduce the risk of loss of independence following unplanned hospital admissions, and to develop prevention, recuperation and rehabilitation services.

Health improvement plans will bring together all local players, including the national health service, social services, education, housing, transport and police, to

develop cross-cutting plans to tackle the range of factors that can cause ill health. Alongside those plans, health and local authorities were asked to produce joint investment plans from April this year. The first cover services for older people. Their implementation will contribute to the Government's commitment to promote the independence of older people, including those with dementia.

In autumn 1997, we set out the medium-term agenda for meeting the needs of the vulnerable, including older people who need continuing health care, under the title "Better Services for Vulnerable People." It requires work in three inter-linked areas: delivering effective joint investment plans to meet the continuing and community care needs of local populations; improvement in the content and process of multi-disciplinary assessment of older people in both hospital and community settings; and the development of health and social care services that focus on optimising independence through timely recuperation and rehabilitation opportunities.

We are developing a long-term care charter called "You and Your Services", which is a joint initiative between my Department and the Department of the Environment, Transport and the Regions. It will give a framework for the setting of local standards by authorities to enable users and carers to see what they can expect from health, housing and social care services.

Discussions have been held with users, carers, frontline staff, professional bodies, voluntary organisations and statutory agencies about the possible details of the charter. It was launched for formal consultation last month. Following the consultation, the Government intend to publish it in the autumn, for implementation in April 2000.

The royal commission on long term care has obvious implications for people with Alzheimer's disease. The Government are considering its report with great care. The royal commission's remit spans a wide range of policy areas and Government Departments. Work is already taking place in several areas highlighted in the report, such as a national strategy for carers and the extension of direct payments to older people. The Government now need to spend some time considering the royal commission's proposals in detail.

The hon. Member for Twickenham will be aware of the enormous volume of care provided for people with Alzheimer's disease by families and other informal care givers. Many carers are themselves elderly and many may be infirm or suffering from stress. That is why, in February, we published the national strategy for carers. A new special grant, an extra £140 million over three years, will enable local authorities to provide a wider range of services to support carers.

That will require local authorities to consult carers about their current services and to look into the possibility of greater diversity of provision. My right hon. Friend the Prime Minister has personally demonstrated his support for improving services for carers, as was clearly demonstrated in his foreword to the report.

Finally, and perhaps most importantly, there is the national service framework for older people, which will set national standards and define service models for NHS care of older people; put in place strategies to support implementation of those models; and establish performance measures against which progress within an agreed time scale will be measured.

The national service framework is being developed with the assistance of an external reference group, which brings together health professionals, service users and carers, health service managers, partner agencies and other advocates. The external reference group is backed up by several task groups, including one for consulting older people and one for listening to carers. Among the task groups, one relates specifically to mental health in older people, including people with Alzheimer's disease. We expect to publish emerging findings in the autumn, and to publish the framework itself in the spring of next year.

I believe that the national service framework will be able to drive up the quality of, and reduce variations in, the care received by older people, including those who suffer from dementia. I hope that the national service framework will also make a real difference to the treatment of people suffering from Alzheimer's disease. I am also glad to tell the hon. Member for Twickenham that the director of the Alzheimer's Disease Society is helping us with development of the new national service framework.

Alzheimer's disease remains a terrible affliction, blighting the lives not only of those who suffer from it but of those around them, for whom it can be a form of living bereavement. The Government are committed to improving the health and social care of people with Alzheimer's disease and to providing more effective support to those who care for them. I hope that the hon. Member for Twickenham shares those ambitions, and will therefore feel able to give his support to the initiatives that I have outlined.

Question put and agreed to.

Adjourned accordingly at twenty-six minutes past Ten o'clock.

House of Commons

Tuesday 29 June 1999

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PRIVATE BUSINESS

CITY OF LONDON (WARD ELECTIONS) BILL

Order for consideration read.

To be considered tomorrow.

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Road Upgrading

1. **Mr. Tom Clarke** (Coatbridge and Chryston): When is the forecast completion of the upgrading of the A8 from Baillieston to Newhouse and the M73 serving Gartcosh. [87514]

The Secretary of State for Scotland (Dr. John Reid): The proposal to upgrade the A8 between Baillieston and Newhouse is one of the schemes being considered in the strategic review of trunk roads. Responsibility for completing the review transfers, along with other trunk road matters, to the Scottish Parliament on 1 July. The scheme at Gartcosh on the M73 will be completed in September.

Mr. Clarke: My constituents and I are extremely pleased at my right hon. Friend's confirmation of those necessary roadworks. Those of us who have seen the horrors of congestion and the burdens of bottlenecks and who recognise the need for sustainable infrastructure to encourage industrial investment welcome what my right hon. Friend has said. May I take this opportunity to ask my right hon. Friend to confirm that no decision has been taken about charges and that that will be a matter for the Scottish Parliament, which will no doubt take on board in its consultations the views of road users, local authorities and those who want decongestion on roads within the excellence of a new environment?

Dr. Reid: On the upgrade between Baillieston and Newhouse, my right hon. Friend will know that two alternatives are under review. One is an on-line upgrade and one an off-line alternative. Both would involve the upgrading of that section of the A8 to motorway status. On the road charging proposals, I can confirm what my right hon. Friend said. No decision has been reached by the Scottish Parliament on that matter. Of course, there will be widespread consultation before it decides on the way forward.

Mr. Dominic Grieve (Beaconsfield): In view of the right hon. Gentleman's comments about road tolling, does he agree that it would have been far better, if he was seeking to make friends and influence people, if the question of road tolling charges had been left until after the transfer of powers? The consequence of the announcement of the policy has been to cause great resentment in Scotland and to give the impression that the Scottish Executive is acting as a little Sir Echo of the Secretary of State for the Environment, Transport and the Regions.

Dr. Reid: I welcome the hon. Gentleman to his new responsibilities. In the spirit of generosity that normally marks these occasions, I also welcome his boss, the right hon. Member for North-West Hampshire (Sir G. Young), who, if my memory serves me correctly, was the father and mother of road charging—the man who invented road charging and introduced it in a Green Paper. I am sorry that he happens to be sitting on the Front Bench to be embarrassed by his colleague's attack on such charging.

I note what the hon. Gentleman says about congestion charging, but I am surprised that he has not been watching the debates in the House in the past year. It is not true that the Scottish Parliament may be the first to consider road charging. In fact, road charging powers are already being considered in the House as part of the Greater London Authority Bill. Therefore, I am afraid that by taking any opportunity to attack devolution from his side of the fence, he is perpetrating the same myth as those on the Scottish National party Benches who take every opportunity to attack devolution. Both parties are wrong. Road charging is being considered as part of the GLA Bill, and no decision has yet been taken in Scotland.

Glasgow (Competitiveness)

2. **Mr. David Marshall** (Glasgow, Shettleston): What plans there are to introduce measures to improve the competitive position of the Glasgow metropolitan area; and if he will make a statement. [87515]

The Parliamentary Under-Secretary of State for Scotland (Mr. Calum Macdonald): We have introduced a number of measures to improve the competitiveness of Glasgow. We are supporting the Glasgow Alliance by providing running costs of £700,000 per annum and have drawn up a wide-ranging strategy for the city. From 1 July, these will be matters for the Scottish Parliament.

Mr. Marshall: Is the Minister aware that there are more than 1,000 acres of derelict land in the city of Glasgow, a great deal of which is in the east and south-east of the city, in particular in my constituency? Does he agree that that land could hold the key to the future prosperity and competitiveness of that great city and that the best way to develop it would be to complete the last six miles of the M74 motorway from Tollcross to the Kingston bridge? Will he therefore agree to recommend that as an urgent priority to the appropriate people in the new Scottish Parliament, who will make decisions on such issues after 1 July?

Mr. Macdonald: As my hon. Friend knows, the M74 is being considered as part of the roads review.

An important criterion for assessing roads within that review is, of course, economic impact. That is being looked at hard, not merely by officials but by Ministers in the new Scottish Executive. My hon. Friend is right to say that it is important to use derelict land to maximise economic development; and that is an important task for the Glasgow Alliance, of which my hon. Friend is a notable member.

Rail Freight

3. **Ms Rachel Squire** (Dunfermline, West): What plans he has to encourage the increased carriage of freight by rail in Scotland. [87516]

The Secretary of State for Scotland (Dr. John Reid): The Government have committed £18.3 million for the freight facilities grant scheme in Scotland over the next three years. That scheme provides capital grants to assist companies to take freight off the roads and on to rail.

From 1 July, Scottish Ministers will assume responsibility for that scheme and also for the related track access grant scheme, which provides revenue support.

Ms Squire: Does my right hon. Friend agree that the previous Conservative Government failed miserably to develop rail freight, despite its clear advantages for the environment, for employment and for industry? Will he tell us a little more about the progress that has been made on the freight facilities grant? Will he consider the future use of that grant to develop combined rail and sea freight facilities on short sea routes from an area such as Rosyth?

Dr. Reid: I agree with my hon. Friend that the previous Government's record on freight was shameful. We saw 40 years of decline in the rail freight industry. The House will welcome the news that not only have we reversed that decline with a 12 per cent. increase in rail freight last year, but that this year we are heading for a 16 per cent. increase. That is good for the environment, good for the economy, good for the reduction of congestion and good for transport in general.

As for the freight facilities grant scheme, I confirm that we intend to extend the facilities and the financial support not only to rail freight but to short sea, coastal shipping. That will be done as soon as there is a legislative opportunity.

Mr. Nigel Evans (Ribble Valley): Will the Secretary of State confirm that the Government are now reviewing their integrated policies—all of them, including the dreadful bus lanes that are respected by every motorist in the country apart from the Prime Minister? On freight, will he confirm that the Government will not be using the stick to clobber freight carriers, who have already been heavily penalised by the Government with the most expensive diesel almost anywhere in the world, or certainly in Europe? Will the Government encourage people to use the railways, but not by using the stick? Does the Secretary of State realise that a higher diesel price does not necessarily mean that people will transfer from road to rail? It will simply put British freight operators out of business in this country.

Dr. Reid: I think that the hon. Gentleman has a bit of a cheek. If 85 per cent. of the current cost of diesel is taxation, 79 per cent. of that amount was inherited from the Conservative Government, whom he supported year after year. The Conservatives introduced the fuel duty escalator on diesel, and maintained and increased it. The Conservative party's green manifesto, published just before the last election, stated that the escalator should be increased and extended even further than the Labour Government want to do. To try to make cheap, populist points by reversing everything introduced by the Conservatives during the past 10 years does no credit to the hon. Gentleman or his party.

Mr. Michael Connarty (Falkirk, East): The Secretary of State lives in Scotland and, unlike Members sitting on the Opposition Front Bench, knows what goes on there. He will be aware that there is a major rail freight terminal at Grangemouth. Does he share the dismay of the rest of Scotland that companies such as Shell, BP and others have stopped using the Bishopriggs terminal and the Fort William transport depot for rail transport for oil? They are now unnecessarily running lorries throughout Scotland.

Will the Secretary of State give a commitment to the House that he will work with the Scottish Parliament so that companies such as BP, whose aspiration is to make more use of rail freight to ship petrochemical products, and Mitchells of Grangemouth, which wants to set up a major road to rail terminal at Grangemouth, can get heavy freight traffic off the roads? That will make the roads less congested; and rail can be used, which is most efficient for bulk movement.

Dr. Reid: Yes, I can confirm to my hon. Friend that I will work in partnership with the Scottish Parliament in the devolution settlement. I believe that that will be good for Scotland and for the Scottish people. Equally important, it will be good for England; it will strengthen our unity through the recognition of the diversity of this United Kingdom.

I also confirm that I shall be willing to encourage and to work with any major company that wants to reduce congestion on the roads by taking advantage of the generous rail freight schemes that we have introduced. For instance, only yesterday, Safeway introduced a scheme to carry its freight between Inverness and Glasgow that will take about 5,000 lorries off the roads this year—largely assisted by £580,000 from the Government.

Mr. Michael Moore (Tweeddale, Ettrick and Lauderdale): The Secretary of State will be aware of the Scottish Office working party report on the future of the borders economy, especially the strong recommendations regarding the reopening of the Waverley line and the issue of rail freight raised therein. Will he confirm that he is, in principle, in favour of reopening that line through the Scottish borders and into England? Will he also confirm his commitment to work with United Kingdom Ministers to ensure that the reopening of the line is a priority for the whole Government?

Dr. Reid: As the hon. Gentleman might know, not only have we given support to an alternative study of that case but we have actually financed it. That we have given such financial support shows that we have an open mind on that question. It would be wrong to prejudge the outcome

of the study that we are financing, but the fact that we support it demonstrates that our mind is not closed on the subject.

Mr. Russell Brown (Dumfries): If Scotland's railways are to expand and thrive, they will require investment and effective regulation. Will my right hon. Friend assure the people of Scotland that he, in his capacity as Secretary of State, will put pressure on the United Kingdom Government and the railway regulators to ensure that we do all in our power from this place to put our transport system on the right track?

Dr. Reid: There is common agreement across the country that we need to concentrate minds, especially that of Railtrack, on ensuring that there is adequate and commensurate investment in rail infrastructure, not only in the Scottish rail system but throughout the United Kingdom rail system. However, it would be churlish not to acknowledge that we in Scotland are comparatively well served in terms of our railway system. In addition, ScotRail consistently comes at the head of the league in terms of performance and other criteria by which we judge the railways, and it is right to put that on the record.

Health

4. **Mr. David Amess** (Southend, West): What recent representations he has received about health in Scotland. [87517]

The Parliamentary Under-Secretary of State for Scotland (Mr. Calum Macdonald): There are frequent representations about a wide range of matters relating to health in Scotland, including the Government's achievement in abolishing the internal market in the national health service, creating the biggest hospital building programme in the history of the NHS, and cutting waiting lists to well below the level that we inherited in 1997.

Mr. Amess: In the light of that surprising reply, is the Minister not aware that many people in England are desperately worried that their relatives in Scotland are not able to receive medical treatment? Why can people not even get on to a waiting list? Why is there now a waiting list to get on to a waiting list to get on to a waiting list? Why have the Government thrown so much money at the waiting list initiative, when the real problem is waiting times for treatment?

Mr. Macdonald: We are investing money in cutting waiting lists because that is what we promised to do at the last election. We have spent £44.5 million on reducing waiting lists: hospital waiting lists have now fallen for the last four quarters in a row and now stand at about 70,000, compared with 84,000 at the time of the last election.

Miss Anne Begg (Aberdeen, South): Will my hon. Friend confirm that, in contrast to the remarks made by the hon. Member for Southend, West (Mr. Amess), waiting lists in Aberdeen have fallen by a record number? I believe that, according to the most recent figures, the fall is the largest in Scotland. Will my hon. Friend also confirm that the Government and the new Scottish Executive will continue to strive to make waiting lists as short as possible?

Mr. Macdonald: I can confirm that absolutely. The waiting list is now down to the target that we had set ourselves to meet three years hence—we have hit the target three years early. There are a number of long-term projects still in place that are designed to ensure that that reduction in waiting lists, once achieved, is sustained into the longer term.

Mr. John Bercow (Buckingham): Why does the Minister not swallow his pride and apologise unreservedly to the House for the fact that there are now 164 fewer nurses in Scotland than there were three years ago?

Mr. Macdonald: We are spending more money on the NHS in Scotland. We have reduced bureaucracy and red tape and we have reduced the number of NHS trusts in Scotland. The money that we have saved has been recycled back into front-line NHS services in Scotland, which is why we have achieved our target of reducing waiting lists as well.

Mrs. Maria Fyfe (Glasgow, Maryhill): Does my hon. Friend agree that poverty is a major cause of ill health and that it is therefore wrong that, for many years, Glasgow's business rates were spent outside the city in areas that needed them less? Does my hon. Friend join me in hoping that the Scottish Parliament will stop that unfair redistribution of wealth?

Mr. Macdonald: An important target for the Scottish Executive—as it has been for the Scottish Office for the past two years—is to reduce inequalities in health throughout Scotland. That is why we have launched the social inclusion programme across Scotland and why we are co-ordinating programmes to tackle social exclusion not just across Scotland generally but in several specific communities where that problem is most serious.

NUS

5. **Mr. Nick St. Aubyn** (Guildford): When he last met representatives of the NUS in Scotland. [87518]

The Secretary of State for Scotland (Dr. John Reid): I have not met representatives of the National Union of Students in Scotland recently. In view of the transfer of powers on 1 July, it might be more appropriate if representatives of the Scottish Executive meet them in future.

Mr. St. Aubyn: Given that the number of school leavers from England, Wales and Northern Ireland applying to Scottish universities has clearly decreased, and given that the majority of Scottish people voted in the recent election for parties that are clearly committed to changing the rules on tuition fees, will the Minister's party support a free vote in the Scottish Parliament on the tuition fees issue following the independent inquiry? Will the Government in London respect the results of that free vote?

Dr. Reid: The voting procedures of any party in the Scottish Parliament are a matter for that party. That gives a laxity and a freedom to individuals in those parties, which is precisely why the hon. Gentleman's Tory colleagues in the Scottish Parliament are supporting

proportional representation to the hilt. I assume that the hon. Gentleman supports the right of his Tory colleagues to do so.

I have made our position on tuition fees clear. Unlike the Conservatives, we want a massive expansion of higher and further education that will be funded. In order to achieve that, we think it is reasonable that those who have an above-average income—that is, more than £18,000 a year—should make some contribution. It is a fact that more than 70 per cent. of those in further education in Scotland pay, and will pay, no tuition fees. It is a fact that more than 50 per cent. of applicants to Scottish universities this year will pay no tuition fees. It is also a fact that Scotland has the highest attendance rates in the country for higher and further education.

The Government intend to ensure that we extend to a generation of young people the opportunities that were denied to those of the same economic and social backgrounds in the past. That is the socially just and decent thing to do. *[Interruption.]* That is the Government's position. The Scottish Parliament, as a devolved body, is entitled to take a different view if it so wishes. The Administration in Scotland—the partnership that controls the Scottish Parliament—have decided that they will review the matter. A decision will be taken and the obligation will be on the Scottish Parliament to explain to Scottish people where the money will come from if it decides to find a funding alternative to tuition fees. That is how devolution works, and I am afraid that—however uncomfortable it may be for the hon. Gentleman—that is the devolution settlement that is supported by the vast majority of people in Scotland.

Ms Sandra Osborne (Ayr): Does my right hon. Friend agree that, if parties in the Scottish Parliament decide to abolish tuition fees, it is highly likely that the money will have to come from other areas of education, much to the detriment of the children of Scotland?

Dr. Reid: The Scottish Parliament, like this Parliament, works within financial guidelines. If the Parliament in Scotland decides—as it is entitled to do—that it has greater priorities or different priorities from those of this Parliament and allocates money in that direction, it must obtain that funding from elsewhere. That is the nature of devolution and the right of the Scottish Parliament. The Parliament also has the responsibility to explain those decisions to the people of Scotland who elect its Members. That is what Scottish Members of Parliament do here for our reserved matters, and Members of the Scottish Parliament will explain decisions on matters that have been devolved to that Parliament.

Mr. Dominic Grieve (Beaconsfield): First, I must thank the right hon. Gentleman for his kind greeting to me. To return to tuition fees and the question asked by the hon. Member for Ayr (Ms Osborne), what provision has the right hon. Gentleman made, or might he consider making, for the possibility that the commission of inquiry will decide that tuition fees in Scotland should be abolished, particularly in view of the fact that the hon. Lady clearly considers that Scotland has been financially hamstrung by the Government's decision to abolish those tuition fees before devolution took place?

Dr. Reid: The provision that is made for the Scottish Parliament's expenditure priorities is in the block grant. If the Scottish Parliament decides—this is the essence of devolution—that it wants to spend more money on a certain area, in contradistinction to what we are doing here, it must explain that it is taking that money from another area. That is a simple concept and I should have thought that, even in the early days of his tenure in office, the hon. Gentleman would be able to grasp it—it is called devolution.

Highlands and Islands Convention

6. **Mrs. Margaret Ewing** (Moray): What plans he has for the participation by Scottish Office Ministers in the Highlands and Islands convention. [87519]

The Parliamentary Under-Secretary of State for Scotland (Mr. Calum Macdonald): From 1 July, decisions on the future of the convention, its membership and structure will be a matter for the Scottish Parliament and Administration.

Mrs. Ewing: That is a very interesting reply. Is the Minister saying that the Scottish Executive will be able to lead on the recommendations and possible legislation emerging from the Highlands and Islands convention in spheres such as fishing, agriculture, tourism and the environment, which all affect employment in the highlands and islands? Does that mean that there will be no interference whatsoever from the Scottish Office?

Mr. Macdonald: What I mean is that it is up to the Scottish Parliament and the Executive to organise the convention in whatever format it sees fit. Obviously, there will need to be changes to the existing format because of the existence of Members of the Scottish Parliament and a different arrangement for the participation of MEPs. All those matters will have to be considered. Many reserved matters impact on the highlands and islands, and the convention will no doubt want to discuss them. I greatly enjoyed my time with the convention, and if it wants to issue an invitation to me I will be happy to accept it.

Mrs. Rosemary McKenna (Cumbernauld and Kilsyth): Will my hon. Friend assure the House that the UK Government will continue to take a great interest in matters relating to the highlands and islands, because many aspects of the reserved powers—in fact, all the areas covered by the convention—will be absolutely crucial to the people of the highlands and islands?

Mr. Macdonald: I can confirm that many issues that were discussed at previous meetings of the convention are now reserved powers: for example, general issues of trade and industry. Their impact on the highlands and islands will be an important subject of discussion for the convention participants. I know that the Under-Secretary of State for Scotland, Lord Macdonald of Tradeston, who is responsible for business and industry, attended previous meetings of the convention. I hope that Ministers from the UK Government will continue to have such a role, but it is entirely for the convention to decide that and to issue invitations for people to join.

Scottish Parliament (Elections)

7. **Dr. Julian Lewis** (New Forest, East): What plans he has to review the methods for electing Members of the Scottish Parliament. [87520]

The Secretary of State for Scotland (Dr. John Reid): I have no plans to review the methods for electing Members of the Scottish Parliament.

Dr. Lewis: Well, I am surprised by the Secretary of State's response. The Conservatives are honest enough and principled enough—*[Interruption.]*—to say that we are opposed to proportional representation even though it gives us seats in Scotland that we would not otherwise have. Would the Secretary of State have liked an outcome whereby his party could have had a decisive win in the Scottish elections, or does he honestly prefer the outcome that he got—a hung Parliament, in which the Liberal Democrats, who came fourth in terms of votes, have a permanent place on the Executive?

Dr. Reid: I am not sure whether I heard all the hon. Gentleman's question due to the furore and ribaldry that followed the use of the words "Conservative" and "principled" consecutively. I think that the thrust of his question was how I would judge the merits of a system. I would do so by considering whether it best served the interests not of my or any other political party, but of the people of Scotland. I take the same view in the United Kingdom. I have made my view known before. No electoral system, as an absolute, is intrinsically better or worse than any other.

The present system was chosen because there was a consensus in Scotland among the parties and across a wide range of opinion in support of it. That is a good enough reason for supporting the system. I am naturally disappointed that the system did not throw up an overwhelming Labour victory but point out that, even though the Labour party knew that it would lose seats, it was morally courageous enough to support such a system because it commanded a consensus across Scottish opinion. I remind the hon. Gentleman that we received the biggest vote, have the largest number of Members of the Scottish Parliament and are leading the Administration in Scotland, as we are leading the United Kingdom Government.

Mr. James Wray (Glasgow, Baillieston): I thank the Secretary of State for his answer. The electoral system chosen for Scotland has been a negation of democracy. Any system that can bring the Tories back from oblivion and give them 18 seats must be examined. The system that resulted in hundreds of thousands of Labour votes in a second vote going nowhere, and the allocation of seats through the back door to a list of people who stood under first past the post has created a cancer in every constituency in Scotland. I hope that we change it at the next election.

Dr. Reid: I am sure that my hon. Friend's considered approach to this matter will have been noted by a range of observers. We have made it absolutely plain that, after consideration, any decision to change the system in this House would be a decision of the electorate of this country through a referendum. That is the ultimate litmus test of a satisfactory system.

Mrs. Ray Michie (Argyll and Bute): Having achieved a fairer electoral system in Scotland that is based on proportionality, will the Secretary of State today undertake vigorously to oppose any reduction in the number of MSPs when or if the boundary commission recommends fewer Scottish Members of Parliament in Westminster?

Dr. Reid: I cannot give the hon. Lady such an undertaking for two reasons. First, to issue the boundary commission with instructions before it has studied the matter would be to oppose it before it reached a decision and would thus be entirely unsatisfactory. Secondly, if I gave such an undertaking, it would be a complete breach of legislation that has already gone through this House.

Mr. Frank Doran (Aberdeen, Central): As a supporter of proportional representation—such a voice should be heard on the Government Benches—*[Interruption.]* I hope that the next part of my question receives a more enthusiastic response. Does my right hon. Friend accept that the worst effect of coalition government is that parties must work harder to explain their policies not only to each other but to the outside world? In the Scottish Parliament, does he think that a much more important coalition than that between the Labour and Liberal parties is the principled one between the Scottish National party and the Conservatives in opposition?

Dr. Reid: I am not sure whether that coalition was a mariage de convenance or a shotgun marriage, although I have noticed the increasing coincidence in Tory and SNP voting in Scotland. That should not surprise us because, after all, they both end up where they started: opposing devolution. For some years, they have attempted a pincer movement by which they would defy the will of the Scottish people who wanted a devolved Parliament. I assure my hon Friend—I am sure that I speak for all Scottish Members of Parliament—that we will work as hard as we can here to fulfil the wish of the Scottish people, which is not only to have a Scottish Parliament with responsibility for distinctly Scottish affairs but to play a full part in the United Kingdom Parliament, along with our partners from England, Wales and Northern Ireland.

Ministerial Responsibilities

8. **Mr. Eric Forth** (Bromley and Chislehurst): If he will make a statement on the role and responsibilities of Ministers in the Scottish Office after 1 July. [87521]

The Secretary of State for Scotland (Dr. John Reid): Ministers will continue to have the role of representing Scottish interests across the range of matters that are reserved to the United Kingdom Parliament, as well as assisting in relationships between the British Government and the Scottish Executive, and between the two Parliaments.

Mr. Forth: Given that the answer to virtually every question on the Order Paper this afternoon so far has been,

"Not me, guv—it's a matter for the Scottish Parliament", and given also that the Parliament already seems to have a propensity to spend vast sums of taxpayers' money on buildings, salaries, assistants and expenses, why does not the Secretary of State give the taxpayer a break? Why does he not give a pledge now to reduce significantly the size of his Department and the number of Ministers and officials in it, in order at least to get his bureaucracy off the taxpayer's back, even while the Scottish Parliament is increasing its bureaucracy?

Dr. Reid: I could have given the right hon. Gentleman a list of matters on which we have an important role in representing the Scottish people, but I am sure that it would have bored him.

Mr. Forth: It would not.

Dr. Reid: In which case, I shall start. Please stop me, Madam Speaker, when you feel that I have gone on too long. We will have the function of representing the Scottish people within the UK on fiscal matters, economic and monetary policy, taxation, social security benefits, occupational pensions, personal pensions, exchange rates, financial services, banking and insurance—shall I continue? The list also includes the designation of assisted areas and industrial assistance throughout the United Kingdom, international relations including the European Union, broadcasting, the Post Office, and electricity generation, transmission, distribution and supply. Is that enough, Madam Speaker? I shall continue the next time the right hon. Gentleman has a question.

Mr. Martin O'Neill (Ochil): May I ask my right hon. Friend about one of the matters for which he has responsibility—the allocation of structural funds within Scotland as part of the UK settlement that was so successful for the highlands as a consequence of the Prime Minister's intervention? Can my right hon. Friend tell us his thinking about the safety net arrangements, particularly for areas such as that of Clackmannanshire council in my constituency? The council is concerned about the fact that it is not eligible for the first level of award under objective 2, although it would be eligible under the safety net. Would that be part of a UK settlement, or will there be a specific Scottish settlement, or has the matter not yet been resolved?

Dr. Reid: Discussions are continuing as regards the assisted areas map and objective 2 status. As my hon. Friend probably knows, the Prime Minister was extremely successful in winning a safety net at the United Kingdom level—the member state level—at the Berlin summit. We start from more difficult circumstances in making a case for assisted areas and objective 2 status, because the last time the assessment was made, under a Tory Government, we were in the middle of the most serious recession for a long, long time, with extremely high levels of unemployment. We have been much more successful under the Labour Government. Nevertheless, I shall pay close attention to the points that my hon. Friend raised about his area.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): Will the Secretary of State confirm that after 1 July he will continue to have jurisdiction over the setting of boundaries between Scotland and England in terms of territorial waters off the coast of the United Kingdom? Is the Secretary of State aware of the anger and consternation among the fishing communities around Berwickshire about the changes that were brought in by the recent Scottish Adjacent Waters Boundaries Order 1999? Would he support legislative proposals in the House in the near future to reconsider the parts of that order that transferred the Berwickshire bank from Scottish jurisdiction to English jurisdiction?

Dr. Reid: Everyone would agree that when two Parliaments instead of one sovereign Parliament have jurisdiction—we also have a devolved Parliament now—we have to find the fairest way of settling the distribution of areas of jurisdiction between them. The way that was chosen in this case was the method most commonly accepted by international standards for fixing a line over the jurisdiction of territorial waters.

In respect of whether that has been a fair settlement, I remind the hon. Gentleman that two thirds of British territorial waters have been passed to the jurisdiction of the Scottish Parliament, that no one outside those waters who is a Scottish fisherman has had his rights in any way diminished and that there is a precedent for where someone is taken to court. Previously, if an offence had been committed, English fishermen were taken to Scottish courts and vice versa. Finally, not only in the past 12 months, but in the past three years, not one offence has been committed in that particular area.

Having said all that, which I said to the Scottish Fishermens Federation, if fishermen can show that serious and significant practical disadvantages are likely to arise from a settlement that has put two thirds of the territorial waters of the United Kingdom under Scottish jurisdiction, I will of course look at that issue.

Mr. Ian Davidson (Glasgow, Pollok): I thank the Secretary of State for taking the time to give us a long list of responsibilities that remain with the House of Commons—my constituents speak of little else—but he unfortunately failed to reach social inclusion on his list. Can I have an assurance that Scottish Office Ministers will retain an interest in the matter, make sure that agencies relevant to social inclusion on a United Kingdom basis take an interest and follow through the steps that are necessary to improve the situation in Scotland? Will he also do what he can to make sure that Members of the House have places on social inclusion partnership boards, in particular in localities where they want to be so involved?

Dr. Reid: I shall try to do both those things and I am glad that the good people of Pollok are as interested as they no doubt are in social inclusion and other issues such as consumer protection, telecommunications, excise duties, betting, gaming and lotteries, regulation of anti-competitive practices, monopolies and mergers, intellectual property, regulation of drivers' hours, internet services, transport of radioactive material, war pensions, employment rights, health and safety at work and a whole list of others. I shall not turn the page.

Mr. Dominic Grieve (Beaconsfield): The Secretary of State has reeled off a long list of reserved matters, but does he agree that all those reserved matters fall within the remit of United Kingdom Departments as well? It would therefore be interesting to know what Scottish Office junior Ministers will be doing. Will they be answering specific queries relating to those matters or is their role that of marriage guidance therapists for the relationship between him and the First Minister?

Dr. Reid: The Ministers and the Secretary of State, along with Scottish Members of Parliament, will be representing the interests of the Scottish people in the reserved matters, as the White Paper said. The hon. Gentleman may not have read it, although it was debated in the House. I shall refrain from reading to him another page of the list of the responsibilities that we have, but I understand his difficulty in appreciating what any Member of Parliament can do. He is the Member of Parliament who said:

"The Conservative party may not have any Scots Members of Parliament, but that is the electorate's fault."—[*Official Report*, 13 January 1998; Vol. 304, c. 229.]

I am afraid that we take a different view in Scotland; we think that is the fault of the Tory party that it has no Scottish Members.

Agenda 2000 (Farming)

10. **Sir Robert Smith** (West Aberdeenshire and Kincardine): What decisions his Department has taken regarding the Agenda 2000 agreement as it affects the method of payment to farmers of the beef and dairy national envelopes and the successor scheme to hill livestock compensatory allowances; and if he will make a statement. [87523]

The Parliamentary Under-Secretary of State for Scotland (Mr. Calum Macdonald): No decisions have yet been taken pending the assessment of responses to earlier consultations and the adoption of the necessary European Union implementing regulations. From 1 July, this will be a matter for the Scottish Parliament

Sir Robert Smith: Does the Minister recognise that the failure to take a decision means that farmers will face uncertainty? They have enough problems without lacking certainty, which enables them to plan for the future. Will he at least make a commitment that, if there is any delay in the introduction of the new scheme and because of that uncertainty, a transitional scheme for HLCA payments will keep the cash flow going so that farmers at least do not face the penalty of late payments?

Mr. Macdonald: I can give a commitment that we shall try to provide a transitional scheme. The delay has been caused by the fact that the final detailed set of European Commission regulations is not yet ready; but I assure the hon. Gentleman that, when they are available, we shall consult widely on them with the farming community. The matters that we discuss will include the change from headage to area-based payments of HLCAs, and we shall take the results of the consultation very much into account.

LORD CHANCELLOR'S DEPARTMENT

The Parliamentary Secretary was asked—

Law Society and Bar Council

30. **Mr. Tony McWalter** (Hemel Hempstead): What representations he has received on the conduct of professional examinations by *(a)* the Law Society and *(b)* the Bar Council. [87544]

The Parliamentary Secretary, Lord Chancellor's Department (Mr. Keith Vaz): In the last year, the Department has received one letter from my hon. Friend the Member for Hemel Hempstead (Mr. McWalter) on behalf of his constituent, complaining of an individual instance of inadequate administration of the Bar vocational course. The legal practice course and the Bar vocational course are conducted by approved providers, rather than directly by the professional bodies.

Mr. McWalter: I thank my hon. Friend for his answer, but is he aware that the case that I raised with his Department concerned someone who had failed an examination marginally because she had been sent an erroneous examination paper? When she appealed against the decision, she was asked on what ground she was appealing. As failure to administer the examination properly was not deemed to be a possible ground for appeal, she had to find some other ground, which made the case for the appeal somewhat convoluted.

I should be grateful for an assurance from my hon. Friend that the legal bodies will possibly allow appeals on the basis of failure by those bodies themselves to conduct their affairs in a satisfactory manner—however rare such failures may be.

Mr. Vaz: I know of the case that my hon. Friend has described. His constituent must be very frustrated and distressed, because she failed to get on to the course in question by only one mark. I know what it is to lose by only one, having lost a European selection by just one vote. I believe that my hon. Friend the Member for Thurrock (Mr. Mackinlay) was also contesting the seat.

Mr. Andrew Mackinlay (Thurrock): We was both robbed!

Mr. Vaz: I am trying to find the person concerned to thank them for not voting for me.

Ministers have no say in the way in which such papers are marked, but I spoke to Mr. Niall Morrison, chief executive of the Bar Council, this afternoon. If my hon. Friend will send me the papers relating to the case, I will send them to Mr. Morrison, who has promised to look into the case for me.

Legal Aid (Chorley Citizens Advice Bureau)

31. **Mr. Lindsay Hoyle** (Chorley): If he will make a statement on the application by Chorley citizens advice bureau to obtain a contract for the provision of services under legal aid. [87545]

The Parliamentary Secretary, Lord Chancellor's Department (Mr. Keith Vaz): Chorley citizens advice bureau was not invited to bid for a contract because its application related to categories of law specified as low-priority by the north-western regional legal services committee's draft strategy.

Citizens advice bureaux will be an essential element of the local networks in the Community Legal Service. The fact that Chorley citizens advice bureau does not have a legal aid contract does not preclude it from being accredited to the Community Legal Service quality mark, once that is available, and taking part in its local referral network. Indeed, Chorley's plans to work closely with the local authority's welfare rights service fits well with the proposals for the Community Legal Service.

Mr. Hoyle: What assurance can be given to the people of Chorley? Does my hon. Friend's answer mean that there will be provision through welfare rights, or does it mean that we shall have to travel somewhere else within central Lancashire?

Mr. Vaz: I congratulate my hon. Friend on championing the work of Chorley CAB, which does an excellent job. As he knows, the north-western regional committee launched a strategy, and engaged in consultation. A representative of Chorley attended the meeting on 25 November last year, and did not object to what was being proposed.

Chorley CAB has a vital role to play in the Government's plans for a community legal service. It will act as a referral agency; it will continue its excellent work, supported by my hon. Friend; and I am convinced that it will play its part in ensuring that we have a decent, modern system of justice.

Several hon. Members *rose—*

Madam Speaker: I call Mr. Burnett, who should make particular reference to Chorley, of course.

Mr. John Burnett (Torridge and West Devon): Thank you, Madam Speaker. *[Interruption.]*

Madam Speaker: Order. Hon. Members must take these matters seriously. It is a specific question. It relates simply to one citizens advice bureau, and that is Chorley.

Mr. Burnett: I am grateful to you, Madam Speaker. As a precursor to my question, I should remind the Minister that, last week, he stressed the importance of abolishing legal aid for personal injury matters. [HON. MEMBERS: "What about Chorley?"] I am getting to Chorley. That was despite objections throughout the House. What are the savings likely to be as a result of that closure and will he apply the savings to help the not-for-profit sector—for example, the citizens advice bureau in Chorley?

Madam Speaker: Order. That was a very good try, but Members should watch the questions to which they wish to put supplementary questions.

Mr. Vaz: I have no specific figures on Chorley concerning the points raised by the hon. Gentleman and the impact of withdrawal of legal aid from personal injury cases, but, overall, the freeing-up of £70 million at its peak will enable the Government to use those resources to prioritise areas of need. It will be £70 million at its peak. It will fall in later years to £30 million.

As the hon. Gentleman knows, we are satisfied with the arrangements that have been made. The conditional fee arrangements will enable people in Chorley and elsewhere to have the benefit of receiving good legal advice on personal injury cases.

Mr. Nicholas Soames (Mid-Sussex): Did the contract application from Chorley contain a reference to legal aid being granted only in cases where solicitors themselves undertake the legal aid work? In view of the hon. Gentleman's astonishingly complacent reply to my query about the issue in respect of my constituency, will he assure the House that, when Chorley again makes what I am sure will be a successful bid, such a clause will be present in that agreement?

Mr. Vaz: Chorley was not invited to bid because the areas on which it wished to make its bids were regarded as low priorities.

Training (Judges)

32. **Mr. John Bercow** (Buckingham): If he will make a statement about the continuing review and scrutiny of training for judges. [87547]

The Parliamentary Secretary, Lord Chancellor's Department (Mr. Keith Vaz): The Judicial Studies Board is an independent body, controlled by a board whose members are appointed by the Lord Chancellor. It is chaired by Lord Justice Waller, a Lord Justice of Appeal. For accounting purposes, it is treated as an advisory non-departmental public body. Its powers and obligations are set out in a memorandum of understanding with the Lord Chancellor's Department. The board produces and publishes a report to the Lord Chancellor each year.

Mr. Bercow: I am grateful to the hon. Gentleman for that informative reply. I take this, my first, opportunity to congratulate him on his recent appointment.

Given the importance of training, both for individual judges and for the standing of the judiciary as a whole, will the hon. Gentleman assure the House that future training will be such as to ensure that we can avoid a repetition of the embarrassment that Lord Hoffmann recently inflicted on the judiciary by his failure to declare a relevant interest in the Pinochet case and then to withdraw from it?

Mr. Vaz: Their lordships have already ruled on that case. Obviously, the issue of declarations of interest is important and is dealt with in an important way by whoever sits on the Bench. I am certain that the training that the Judicial Studies Board initiates, both at the induction stages when new judges are appointed and

in the three-year cycle, will include the whole issue of conflicts of interest, and any other potentially embarrassing and difficult points that may be raised.

Mrs. Ann Cryer (Keighley): Would my hon. Friend like to comment on the measure of success his Department is having in moving towards judges being appointed from a much wider cross-section of society?

Mr. Vaz: It is always the Lord Chancellor's wish to ensure that judges are appointed from a wide section of society and it is right that, in the past year, 24 per cent. of the appointments made by my noble and learned Friend have been women. I am sure that my hon. Friend will join me in congratulating Dame Elizabeth Butler-Sloss on her appointment as the first woman president of the family division. It is important that the appointments should reflect society, but it is equally important that those appointed to the Bench should be appointed on merit. That is how my noble and learned Friend appoints people—they have to be of the highest quality. I believe that we have the best judiciary in the world and it is important that the merits tests are met.

Mr. Nick Hawkins (Surrey Heath): I join the Minister in his congratulations to Dame Elizabeth Butler-Sloss on her appointment as the first lady president of the family division. As the Minister said, the British judiciary is the finest in the world, but I am sure that he agrees that there would be grave concern throughout the legal profession and the country if there were to be any sign of the politicisation of the judiciary in the future. Will he confirm, for himself and his noble and learned Friend the Lord Chancellor, that the Government have no intention of politicising the judiciary? Will he further confirm that he recognises the sanctity of the separation of powers doctrine so that we will not see any interference by Parliament under this Government in the freedom of the judiciary?

Mr. Vaz: I congratulate the hon. Gentleman on his first appearance in his new role at the Dispatch Box during Question Time. I can assure the hon. Gentleman that, of course, the judiciary must be apolitical. My noble and learned Friend the Lord Chancellor wishes to ensure the integrity and impartiality of those appointed to the judiciary and he has made sure that that has been the case.

Mr. Andrew Mackinlay (Thurrock): Is the Minister satisfied that the training and instruction of judges provides them with sufficient sensitivity to arrange their private passions and interests to coincide with the natural holiday time of the courts? Given that many jurors find that they lose pay, their businesses suffer or they miss out on tickets to Wimbledon, does he share my dismay that one of the learned judges has put his passion for Wimbledon above his obligations to the court? If Madam Speaker were to be invited to Wimbledon, I know that she would fulfil her obligation to be here. Can we have a rap on the knuckles for judges who put other things before their duties?

Mr. Vaz: My hon. Friend—he is a good friend—was present at the European selection meeting when I lost by a single vote, but I have no spare tickets for him. Judge Hooton, the judge to whom my hon. Friend has referred, had booked his annual leave some time ago. It had been estimated by the lawyers that the case, which he was due to have started on Monday, would last for three to four days. At the outset of the trial, the lawyers informed the judge, without providing the court with any prior notice, that they anticipated that the case would last five or six days. On that basis, the judge was forced to adjourn the case. In my view, it is disappointing that the judge should have been placed in that position.

Juvenile Witnesses

33. **Mr. Elfyn Llwyd** (Meirionnydd Nant Conwy): What discussions he has had with Ministers in the Home Department about the need for ensuring that cases involving juvenile witnesses are dealt with speedily; and if he will make a statement. [87548]

The Parliamentary Secretary, Lord Chancellor's Department (Mr. Keith Vaz): It is important that cases involving children as victims or witnesses are dealt with as speedily as is commensurate with the interests of justice. There are a number of initiatives in place to ensure that this objective is met. My officials are in regular and close contact with those of my right hon. Friend the Home Secretary to identify where improvements might be made.

Mr. Llwyd: I thank the Minister for his reply. It is routine for cases involving child or juvenile complainants to be fast-tracked but it is not routine for child or juvenile witnesses to be fast-tracked. May I respectfully suggest that that should be looked into because it is vital and, in both sets of circumstances, the pressures and problems are alike?

Mr. Vaz: I know that the hon. Gentleman, as a member of the national council of the National Society for the Prevention of Cruelty to Children, has a particular interest in these matters. As from 1 April this year, a national monitoring scheme for cases involving child witnesses has been put in place. Its purpose is to ensure that such cases are dealt with as speedily as possible, and to identify how we might make improvements in the way in which they are handled, including the possibility of fast- tracking, although we must see how the monitoring proceeds. Plans are also under way to introduce a pre-trial check list focusing on children's issues as a means of supplementing the plea and directions hearing form.

Regulation of Operating Department Practitioners

3.30 pm

Helen Jones (Warrington, North): I beg to move,

That leave be given to bring in a Bill to make provision for a registration scheme for operating department practitioners and for the regulation of their professional conduct; and for related purposes.

I am conscious, from conversations with colleagues, that some hon. Members are not wholly aware of what operating department practitioners are or what they do. They are a key group of health care workers who were first formally identified in the Lewin report in 1970, but who have existed under different names for a good many years. They were known first as theatre technicians, and then as operating department assistants. In the 1990s, as their qualifications changed from those awarded under the city and guilds course to the national vocational qualification level 3 in operating department practice, they adopted a different title to reflect the increased level of skills involved.

Originally, ODPs dealt with anaesthetics and the care of anaesthetised patients, but they are now involved in all work of the operating department, including not only anaesthetics, but the surgical process and the monitoring and care of patients in the recovery room. In addition, because of the technical skills that they acquire for work in the operating department, they now work in other areas of the hospital where a knowledge of technology is required. It is common to find ODPs working as part of cardio-pulmonary resuscitation teams, or in accident and emergency departments and intensive care units, as well as in other areas such as radiology departments. They are also involved in the transfer of critically ill patients.

Operating department practitioners have responsibility for checking, calibrating and monitoring much of the electromechanical equipment that is used in hospitals, including lung ventilators, automatic infusion devices and other patient monitoring equipment. They are skilled personnel, and the number of skills required of them has increased as technology has expanded. Many of them go on to take additional qualifications to allow them to work in specialised areas, such as ophthalmic, vascular or plastic surgery. Others move on to manage operating departments and into associated services. The theatre manager in my local hospital is an ODP, not a nurse.

I hope that what I have said is enough to convince the House that ODPs not only carry out a vital role, but care for incredibly vulnerable patients. Most members of the public would be surprised to learn that when they go into hospital for an operation it is a matter of chance whether they are cared for and supported in theatre by a nurse or by an ODP.

Since the Bevan report in 1989, it has been common for ODPs to be considered alongside their nursing colleagues for all roles in the operating theatre. In many trusts, they are on the same pay spines and the same rotas. People would be astonished to discover, however, that nurses working in theatres are subject to a registration scheme, whereas the ODPs working alongside them are not. It is nonsense that ODPs are subject only to a voluntary registration scheme, given that they care for the same vulnerable patients as nurses and both have access to controlled drugs and sensitive equipment. That situation has been allowed to persist, despite the fact that the Bevan report recommended a compulsory registration scheme, as did the Audit Commission in 1997.

That difference flies in the face of all professional opinion, since ODP registration is not only supported by the Association of Operating Department Practitioners, but the Royal College of Surgeons of England, the Royal College of Anaesthetists and the Association of Theatre Nurses—in other words, the very people who work in operating theatres day by day and know what happens—want registration. The safety of the public demands it.

My Bill is necessary to put an end to the chaos, because the current voluntary system has failed. The Association of Operating Department Practitioners has only about 1,500 registered members, but the estimates of the numbers of ODPs practising in the United Kingdom vary between 5,000 and 8,000. The fact that we do not know the numbers shows the chaos that has been created. It also means that only between one quarter and one fifth of practitioners are registered.

My Bill would put an end to that confusion, and would protect the public by setting up a board under the Council for Professions Supplementary to Medicines to oversee the education and training of ODPs, and it would ensure that only state-registered ODPs were allowed to practise. It would provide for a similar system to continue when the Health Bill comes into force and a council for health service professions is set up. The Bill would ensure that the board had the power to investigate evidence of poor practice or of malpractice, and to suspend or remove a person's registration if the evidence warranted it.

Malpractice is, of course, rare but when it does occur in such work, it is serious. Well-documented cases include that of Anthony Kelly, who was found practising as an ODP on a forged certificate, or Justin Lee Alliston, who was arrested after abusing controlled drugs at the hospital where he worked. There have been other cases of people abusing or selling drugs, of tampering with sensitive equipment and even one case of a serious sexual assault on a female patient in the anaesthetic room.

The real scandal about those cases is that the people who commit those offences are perfectly free to continue practising in the NHS afterwards. Indeed, there are well-documented cases of people being dismissed from one hospital for poor professional practice or for malpractice and then getting a job in another hospital because their history has not been checked. That is not safe for patients, and it is an insult to the many good and conscientious ODPs.

Trusts are poor at checking registration and the problems in the system are exacerbated by the fact that many people find work in theatres through agencies. My Bill, therefore, would also regulate agencies providing work for ODPs. It would make them responsible for checking the registration of anyone on their books, and it would impose a compulsory code of practice, requiring agencies to report any evidence of failures to reach the highest standards of professional conduct. Importantly, agencies also would have to check that the requisite occupational health screening had been carried out.

The Bill is about the safety of the public. People have a right when they go into hospital for an operation to be sure that they will be treated by adequately qualified and trained staff who subscribe to a proper code of professional ethics. That is not the case at the moment.

I believe that the safety of the public must come first. I hope, therefore, that the case for registration is seen to be unanswerable, and that the Bill will have the support of hon. Members on both sides of the House.

Question put and agreed to.

Bill ordered to be brought in by Helen Jones, Charlotte Atkins, Lorna Moffatt, Dr. Alan Whitehead, Mrs. Joan Humble, Mr. Jonathan Shaw, Mrs. Diana Organ and Mr. Stephen Hesford.

REGULATION OF OPERATING DEPARTMENT PRACTITIONERS

Helen Jones accordingly presented a Bill to make provision for a registration scheme for operating department practitioners and for the regulation of their professional conduct; and for related purposes: And the same was read the First time; and ordered to be read a Second time on Friday 23 July, and to be printed [Bill 129].

Opposition Day

[16TH ALLOTTED DAY]

Passport Delays

Madam Speaker: We now come to the first Opposition motion. I have selected the amendment in the name of the Prime Minister.

3.40 pm

Miss Ann Widdecombe (Maidstone and The Weald): I beg to move,

That this House deplores the Government's handling of the current crisis in the issuing of passports including the untimely introduction of children's passports, the untimely introduction of a flawed computer system, the unsatisfactory manner in which the above were introduced, the failure to instruct the passport office to work around the clock to meet demand, confusion over compensation, the failure to deliver passports in time for many families who have now missed overseas trips, the failure to meet the Passport Agency's turn around target of 10 days and the great inconvenience and distress caused to the general public; and calls upon Her Majesty's Government to take urgent measures to ensure the speedy and efficient delivery of passports and that there are no further instances of UK citizens being denied overseas trips due to the combination of bad planning, inefficiency and complacency.

In deploring the Government's record on the management of the Passport Agency, I pay tribute to the many staff who have had to work in situations of amazing difficulty caused by the Government's policies and incompetence. It is not only the Opposition who deplore the present situation, but hundreds of thousands of Britons who are trying to do nothing more than have their annual holiday.

I hope that we will not witness the Home Secretary's usual formula for when something goes wrong in the Home Office. First, he smiles engagingly; then he apologises humbly; and then he shrugs helplessly, saying that he does not know how it happened. In the two short weeks for which I have held this brief, he has come to the House three times to smile engagingly, apologise humbly and shrug helplessly. Last week, he did not know why the Prevention of Terrorism (Temporary Provisions) Act 1989 happened to be minus a few crimes. Of course he took responsibility and apologised profusely, but he could not tell us why it had happened.

Yesterday, the Home Secretary was at it again. He did not know why a report had lain in the Home Office unactioned for two years during which he alone presided there. Of course he took responsibility and apologised profusely, but he could not tell us why it had happened. We, however, know why the passports crisis has happened.

The Under-Secretary of State for the Home Department, the hon. Member for North Warwickshire (Mr. O'Brien), has his own explanation. On the "Today" programme this morning, he said that it was all the general public's fault, because they had panicked and were applying too early; by going and queueing for hours in the rain, they were causing the problem. It was a piece of arrogance to cover up a piece of gross incompetence.

When I visited the passport office in Petty France today, every single person to whom I spoke had an immediate case. People were not panicked into queueing

[Miss Ann Widdecombe]

for holidays in August or September, as the Minister suggested. In some cases, the issue is not anything as pleasant as a holiday, and people need to go abroad on urgent and personal business. They are being caused not only great inconvenience but massive distress.

Queueing in the rain, in many cases since dawn, were mothers with very tiny babies, some as young as six weeks. They were there because the Government have changed the rules. All those mothers said to me, in different ways, that they thought that the Government must be barmy.

What did the Government do to cause the crisis? They alone decided—they cannot blame it on the Passport Agency, the Opposition, the previous Government or even the general public—that from last October children, including new babies, would have to have their own passport. That has led to an enormous rise in the number of applications.

The Home Secretary will say that the measure is designed to combat abduction, but the mothers to whom I spoke today could not understand that. They said that a photograph of a baby of six weeks of age will not look much like that baby a few months later. In a case of suspected abduction, what a baby looks like will not be immediately obvious.

I hope that the Home Secretary will dispel my cynicism, but is it possible that the motivation behind the change was the vast increase in revenue that would occur as a result of the extra passport applications?

Mr. Denis MacShane (Rotherham) *rose—*

Miss Widdecombe: One parent in the queue was applying for passports for four children, so he had to pay four sets of fees when, in the past, the children would have been included on the parents' passports. Is the Secretary of State seriously going to contest that increased revenue played no part in his decision to introduce the rule?

Mr. MacShane: I am the parent of four children, and have no problem with securing independent passports for them. Is the right hon. Lady aware that, under the previous Government, very serious questions were raised about the abduction of children? This is not a laughing matter to be treated in the flippant tone that she has adopted. She may have the same smiling face as she had when she was a baby, but I assure her that it is worth the extra money to throw some sand in the wheels of would-be child abductors. I have no problems with the rule, and neither would any serious parent.

Miss Widdecombe: I may be wrong, but my impression from the father to whom I spoke today was that he did not have to subsist on a parliamentary salary and that the sum involved was a significant consideration for him. I remind the hon. Gentleman that the mothers to whom I spoke said that an unrecognisable photograph is not much of an anti-abduction measure. I am therefore not at all convinced that the hon. Gentleman has presented an overwhelming argument.

For a moment, let us suppose that the measure were justified. The net result has been an increase of more than a quarter of million in passport applications. That is a fact, and it has taken place against the background of the introduction of flawed technology into the Passport Agency.

Maria Eagle (Liverpool, Garston): Who signed the contract?

Miss Widdecombe: I am asked, from a sedentary position, who signed the contract, and I can tell the hon. Member for Liverpool, Garston (Maria Eagle) that it was signed with Siemens under the Labour Government's first private finance initiative scheme. What is more, the Government pay Siemens on a case-by-case administration basis. I hope that the Home Secretary will tell the House whether the company is still making profits despite the penalties that have been imposed, and that he will do so before the hon. Lady throws out another spurious question.

The technology is flawed and—unbelievably—there are no proper back-up systems. Now I am a reasonable person, and I am the first to admit that unexpected glitches sometimes happen, that flaws will appear and that the normal smooth working of a Government Department will be held up and interrupted when new systems and technology are introduced. I admit that that can happen, but it is important to ensure that the two things do not happen together. Given the risks of obstruction to normal administration associated with the introduction of new technology, the Government's simultaneous implementation of the new rule for children was an unnecessary complication. It would have been sensible to separate the two changes by a considerable period. We should have had the introduction either of the children's passports, or of the technology. The Government ought not to have confused the two.

Mr. Bill O'Brien (Normanton): Will the right hon. Lady give way?

Miss Widdecombe: When technology goes wrong, the response should be immediate. Yet it is only now—the day of an Opposition debate—that the Government have got round to saying that they will take on some extra staff and run an advertising campaign. Yet again, we see the pattern of operation employed by the Home Secretary when he responds to problems. A year and two months too late, he came to the House to put right an omission in the prevention of terrorism Act.

Mr. O'Brien *rose—*

Miss Widdecombe: Yesterday, the Home Secretary sounded as if he had done some great thing when he told us that he had asked the Director General of the Prison Service to ensure that the situation at Wormwood Scrubs would be sorted out, but that, too, came two years too late, long after receipt of the report.

Mr. O'Brien: Will the right hon. Lady give way?

Miss Widdecombe: Today, he stands here again—

Madam Speaker: Order. The right hon. Lady is not giving way. Do I understand that to be correct?

Miss Widdecombe: I should have thought that the whole House understood that, Madam Speaker, but apparently the hon. Member for Normanton (Mr. O'Brien) did not.

Today, yet again, the Home Secretary follows his usual pattern. He has come to the House, at the last minute and once the pressure has grown and the public are worried, to tell us that he will put matters right. He seriously expects us to thank him, and to say what a wonderful thing he is doing.

I have described what I found this morning—not a public in panic, but a public massively frustrated. According to the Government's figures, given in a parliamentary answer, the number of calls that receive an answering machine message—the Government coyly describe those as courtesy messages—stood at 1.1 million in May. In April, the figure was 460,000, and in January just 118,000. There has been a tenfold increase in the number of those who receive a so-called courtesy message, which is, in fact, a brush-off, since there is no one to answer the call.

Yet the Home Secretary wonders why people who have received that answer again and again have finally decided that the only way in which they can take charge of the situation is to go to the passport office. At least they are not faced with an answering machine when they get there. However, they are faced with a massive queue to join a massive queue. The queue inside the office that I visited today was two hours long. The head of the queue outside the office had been there since dawn, and the tail for several hours.

All those people had imminent holidays or journey abroad. They had not left applications to the last moment, and in several cases, were doing as the Minister said and not turning up until the last week. Most had applied weeks ago—in one case four weeks, in another seven—but their passports had not been delivered, or, having been due for delivery from another office, they had been diverted and lost. People turned up at the passport office because it was the only way in which they could take charge of what was going on. If I were in their position, I should do exactly the same.

I am not surprised that people are going to the passport office, and I am sure that they will continue to do so until the Home Secretary clears up the mess.

What I do find offensive is that although that situation has been getting worse, has been widely commented on in the press and has been the subject of constituents' correspondence, as hon. Members on both sides of the House will know, and although it has caused constituents distress and been the subject of parliamentary questions to Ministers, until the past 24 hours there has been a denial that there was any problem.

Mr. David Maclean (Penrith and The Border): I intervene because, as my right hon. Friend made those remarks, the Under-Secretary of State for the Home Department, the hon. Member for North Warwickshire (Mr. O'Brien), was shaking his head. I find it offensive to receive a letter from the Minister at the weekend enclosing a photograph that shows a passport office with no queue around it. Through my right hon. Friend I ask the Minister when that photograph was taken—was it using infra-red technology at 2 o'clock in the morning?

Miss Widdecombe: I am delighted to pass on that question. I assume that the photograph was taken at public expense and I wonder what the point of it was. Surely the Minister should have responded to the precise query sensibly and not with a gimmick.

Mr. Bill O'Brien: Will the right hon. Lady give way?

Miss Widdecombe: In a minute. Perhaps the Secretary of State—

Mr. O'Brien: Will the right hon. Lady give way?

Miss Widdecombe: The whole House heard me say, "In a minute." If the hon. Gentleman did not, he will find that I will not give way to him at all.

Perhaps the Secretary of State will tell us about the cost of that gimmick and the reply and give my right hon. Friend the Member for Penrith and The Border (Mr. Maclean) a clear answer about when the photograph was taken and under what circumstances.

Why has it taken so long for the Minister to wake up to the fact that many passport offices were not working at the weekends and around the clock and taking extra measures to reduce the queues and accommodate more people?

Does the Minister recall the purpose of the Passport Agency? Its main aim is set out in its terms of reference, which state that its duty is to provide passport services for British nationals in the United Kingdom promptly and economically. The terms of reference continue that the turnround time should be 10 days.

The Passport Agency has a number of key performance targets and one is to

"Turn around applications in 15 working days in April, and 10 days for the rest of the year".

To say that that target has been missed is to make an understatement. In Glasgow, the average processing time for correctly completed, straightforward applications—not even the complex ones—that are submitted in person and so have not gone astray is not 10 but 39 working days; in Newport, it is 38 days; in Belfast, it is 37 days; in Liverpool, it is 36 days; and in Peterborough, it is 33 days.

Mr. Andrew Robathan (Blaby): My constituents, Mr. and Mrs. Armstrong, have now been waiting well over seven weeks. They sent their applications by special delivery to Peterborough, so the figures that my right hon. Friend has been given may not be 100 per cent. correct.

Miss Widdecombe: I am inclined to ask whether performance pay is tied up with some of those targets. The real performance under examination, however, is that of the Ministers who, even when confronted with the growing evidence of those sorts of waiting times and the distress that they were causing, took refuge in the statement that only 50 families have not got their passports at all and in 99.9 per cent. of cases the passport offices manage to get the passport out. Does the Secretary of State acknowledge that in that statement he is completely ignoring the hoops and antics that people have to go through to get their passports in the first place? It is no boast to say, "We gave this person his passport", if he has waited a large number of weeks instead of 10 days, had to queue for anything up to eight hours and if all that

[Miss Widdecombe]

came about because the Government caused the situation through the combination of their policy on children's passports and on new technology.

Now that the hon. Member for Normanton (Mr. O'Brien) has been patient, I will give way to him.

Mr. O'Brien: Well, the right hon. Lady took interventions from two Members of her own party before I could get in to speak—and the right hon. Lady says that she is fair. May I say to her that she was misleading the House—*[Interruption.]*—

Madam Speaker: Order. No right hon. or hon. Member misleads this House, as the hon. Gentleman knows. Will he withdraw that remark and rephrase his question?

Mr. O'Brien: I make the point that the right hon. Lady is not misleading the House—*[Interruption.]*

Madam Speaker: Order. I take it that the hon. Gentleman is withdrawing his earlier point.

Mr. O'Brien: Yes, the right hon. Lady is not misleading the House, but she said that it was only from today that 300 people had been recruited to attend to the delays in passports. I advise her that the Passport Agency recruited 300 people a week ago to attend to those delays. I also advise her that my residence in London is near Petty France; for 16 years, during the time that the Conservative Government were in power, there have always been queues outside the passport office. Every day, for 16 years, there have been queues outside the passport office. If the right hon. Lady wants to comment on that issue, we should have the true facts.

Miss Widdecombe: I am so glad that I took that most helpful intervention.

Mr. Michael Fabricant (Lichfield): Will my right hon. Friend give way?

Miss Widdecombe: Let me finish dealing with the intervention of the hon. Member for Normanton and then I will come to my hon. Friend.

I asked some specific questions on my visit today. I asked what was normal, and what would normally be expected at this time of year. In addition to the figures that show the huge rise in the number of applications and of people waiting, and in the number of queues, I was told by staff at the Passport Agency—many of whom had worked there for several years—that they had never seen anything like this before.

I asked the manager to compare the current situation to what he would expect if there had not been the rise in applications for children's passports and the chaos caused by the technology problem. He said that two extremely long queues would not normally be there. One queue was there because work had been shifted from other offices due to the technology failure; the other was there because people were coming to the office to get their passports because of the publicity surrounding the Government's failures. One of the queues was extremely long and most people were joining it. Without those two queues, people would not have been outside the office, in the rain, since dawn.

There is no doubt that, from time to time, there is a queue for a short period, but to queue from dawn is not normal. The length of that queue, from dawn, is not normal. The testimony from the passport office today was that none of that was normal.

Mr. Fabricant: It would seem that I have the misfortune to live in the vicinity of the hon. Member for Normanton (Mr. O'Brien). I can inform my right hon. Friend that I walk to the House of Commons every day, through Petty France. Usually, there are short queues on Tuesday mornings only. I am sure that the hon. Gentleman would not want deliberately to mislead the House, but I can say that there have been queues every day—not only on Tuesday mornings—and that they wrap round and join up in a continuous circle. I suspect that the hon. Gentleman would like to withdraw his question; he knows that it was untrue.

Miss Widdecombe: I am tempted to give the hon. Member for Normanton a second chance, because the first intervention was extremely helpful.

Mr. Bill O'Brien *rose—*

Miss Widdecombe: Tempted as I am to give way to the hon. Gentleman, I do want to make some progress.

I want the Secretary of State to answer some simple questions. Let us give him the benefit of the doubt by allowing that the measure on children's passports was desirable. However, what prevented him from postponing the implementation of that measure until the computer system had been sorted out?

Is it true that the Home Secretary is paying Siemens case by case? Has the company incurred a net penalty as a result of its recent failure, or has it continued to make profits because of the rise in applications, owing to the necessity of children having to have their own passport? Will he state clearly to the House the increase in revenue to the Passport Agency that has resulted from the requirement for children and babies to have their own passport? Will he state why no back-up systems were in place when the computer technology was introduced? Will he state why, when it became evident that the computer technology was going wrong, he did not then—at that time, not a week ago—embark on immediate action to get the extra staff and allocate the extra hours that would be necessary to avert a problem?

Does the Home Secretary accept that the number of people who are brushed off with an answering machine message—1.1 million, which represents a tenfold increase since January and a doubling since last month—is unacceptable? Will he tell us what he proposes to do to make sure that people are not encouraged to come to London to swell the ranks of people queueing at the Passport Agency simply by being unable to get an answer when they ring up with a perfectly routine query? Does he accept that the present situation is unusual, or does he go along with his hon. Friend the Under-Secretary in saying that there is no crisis, and anyway, if there is one, the general public caused it?

Mr. John Bercow (Buckingham): I am sorry to interrupt my right hon. Friend, but, given the observations

made by the hon. Member for Normanton (Mr. O'Brien), it is essential to establish whether his views are shared by Ministers. Do those on the Treasury Bench go in for sleepwalking in the way that the hon. Gentleman on the Back Bench does?

Miss Widdecombe: That would indeed be an intriguing question.

Does the Home Secretary agree that, as a result of his requirement that children should have their own passport and that parents should apply on their behalf, the number of applications for children's passports this year so far—I need hardly point out, even to the right hon. Gentleman, that we are only half way through the year—is now 796,000; whereas the figure for the whole of last year was only 412,000? Might not the right hon. Gentleman have deduced from that vast increase that extraordinary measures were necessary? Was it not exactly the wrong time to put not only extraordinary measures, but all ordinary measures, at risk by introducing new technology?

Mr. Maclean: Before my right hon. Friend resumes her seat, will she ask the Home Secretary one more crucial question regarding the allegations that security has been relaxed in order to increase the output of the Passport Agency? She will be aware that, in July 1997, the Under-Secretary said that the new computer would improve security. However, I understand that on 24 February this year, instructions were sent out to drop eight special security checks so as to improve output. In addition, there are allegations that those measures were later dropped, because of the scandal that they could produce.

Miss Widdecombe: That is indeed an important issue, and I should be grateful if the Home Secretary commented on it. He should also tell the House whether it is true that Siemens staff have been processing applications, and whether he envisages any problems arising as a result.

I am sure, because it is his style, that the Home Secretary will stand at the Dispatch Box and apologise, but, on this occasion, let him not shrug. Let him not boast about last-minute measures, but let him make an honest analysis of what has gone wrong, tell us where responsibility lies and, for once, tell us how he is going to get a grip on his Department. For the third time in two weeks, he has had to come to the House to repent of his sins. It is time he learned to go and sin no more.

4.10 pm

The Secretary of State for the Home Department (Mr. Jack Straw): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"acknowledges the difficult operational situation that the Passport Agency is facing and greatly regrets the inconvenience caused to the public; notes the measures that the Agency is taking to remedy the situation including the deployment of 300 additional staff, the streamlining of processes to boost productivity whilst maintaining security and the willingness of Agency staff to work seven days a week to help clear the arrears; further notes that in spite of this difficult position the Agency is meeting 99.99 per cent. of travel dates and will continue to do so throughout the summer and beyond; and agrees that it is right to introduce the policy of separate passports for children."

I may indeed repent, Mr. Deputy Speaker. The right hon. Member for Maidstone and The Weald (Miss Widdecombe) opened her remarks by sneering at the idea that the Secretary of State for the Home Department should come to the House to apologise and accept responsibility for something that had gone wrong. We understand why someone who served in the previous Administration should find either the concept of an apology or the idea of accepting responsibility wholly alien.

It is true that, in every Government Department, under every Administration, things go wrong from time to time. It is also true—as the right hon. Lady has every reason to know—that things go wrong in the Home Office more often than anywhere else. Moreover, when things go wrong, they normally do so in threes or fours. Of course I would prefer to be performing my customary task of coming to the House and setting out the achievements of the Government and of the Home Office. There is a major difference between this Government and our predecessor—and it is one of the reasons why the previous Government were drummed out of office in the most dramatic defeat since the war. Under the previous Government, when things went wrong—as they inevitably did occasionally—Conservative Ministers did not come to the House to apologise when an apology was necessary; nor did they accept responsibility. They wriggled and evaded responsibility every time.

Conservative Ministers came up with the idea of executive agencies. I do not wholly disagree with that concept; it has some merit. However, I have always disagreed with the idea that the establishment of agencies would enable Ministers to evade their responsibility to the House. The right hon. Lady, the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), their right hon. Friends and all the rest of them developed this neat difference between accountability and responsibility: they were responsible for policy but never for the operation of that policy.

To underline the fact that they were not responsible when things went wrong, Conservative Ministers would take out the basin and wash their hands. The right hon. Lady used to do that—as did the right hon. Member for Penrith and The Border (Mr. Maclean). When questions were asked about the operation of an agency, who replied to those queries? Was it the Secretary of State or the Minister of State? Not on your life. They simply acted as the postbox every time. Conservative Ministers treated written answers like pieces of stinking fish and said, "I refer to the letter that I have received from the chief executive."

Miss Widdecombe: The Home Secretary is in a time warp: he thinks that he is still in opposition and that all he must do is rehearse the sins, as he sees them, of the previous Government. He is now in government and we are asking him what he is doing about this mess. The right hon. Gentleman stands at the Dispatch Box recounting history, but we are interested in the present. Will he now return to the present and answer for himself?

Mr. Straw: I hope that the right hon. Lady feels better for having got that off her chest.

Mr. Maclean *rose—*

Mr. Straw: I want to make progress but I shall give way to the right hon. Gentleman because, outside the House, he is my friend.

Mr. Maclean: I am grateful to the Home Secretary. Will he tell the House who took the decision to issue passports to babies and children? Was it the Passport Agency or Ministers?

Mr. Straw: I did, on the recommendation of the agency. I shall explain exactly why I took that decision and from where the calls to do so came. I shall be absolutely delighted to do that.

Mr. Bercow: Will the right hon. Gentleman give way?

Mr. Straw: I shall give way to the hon. Gentleman because I admire him greatly—I hope that my remark does not destroy his reputation on the right of the Tory party—and then I shall go on with my speech.

Mr. Bercow: I was worried to see the right hon. Gentleman in a state of such perturbation a few moments ago. He now seems to have calmed down somewhat. Will he give the House an assurance that, no matter how many families need to be compensated for the loss of their holidays, there will be no increase in passport application charges over and above those that might otherwise have taken place in the lifetime of this Parliament?

Mr. Straw: I can certainly give the hon. Gentleman the undertaking that families with children and individual applicants who have their holidays wrecked, or who cannot meet their travel date for any other reason, will receive full compensation. [HON. MEMBERS: "Answer the question".] I am answering the hon. Gentleman; he knows that I answer his questions. The total amount of compensation is very small. There may have to be increases in the passport fee for the normal reasons to which he adverts, but there is no reason why any increase should result from the level of compensation.

Mr. Nigel Evans (Ribble Valley): Will the right hon. Gentleman give way?

Mr. Straw: No, I have given way more times than the right hon. Member for Maidstone and The Weald did during her speech. I shall get on with my speech, but I will, of course, take more interventions should the occasion arise and if I decide to accept them.

As we all know, the Passport Agency is not providing its customers with the service that they and the House expect or that the agency has promised. I add my personal apologies to those of the chief executive of the agency and those of the Under-Secretary, my hon. Friend the Member for North Warwickshire (Mr. O'Brien), to all those who have been inconvenienced by the inadequate standard of service, and especially to those whose holidays or business trips have been disrupted or cancelled.

Today, I want to put the situation into context and to set out why and how it has come to pass and what the agency and Ministers are doing, as quickly as possible, to resolve matters satisfactorily.

First, I shall set out the context. The Passport Agency is one of the largest passport-issuing authorities in the world. It issues around 5 million passports a year, or an average of more than 400,000 a month. The work is highly seasonal, however. In a typical year, 50 per cent. of the work is compressed into a third of the year, with the peak months being the pre-summer holiday period of April to June.

Since its establishment as an agency in 1991, and until this year, the Passport Agency has had a successful track record in delivering high-quality public services. It is one of the few organisations that has three times won a charter mark for excellence, which it gained last year and in 1992 and 1995.

Mr. Keith Simpson (Mid-Norfolk): Under a Conservative Government.

Mr. Straw: Well, we have a Labour Government now, and the agency won the charter mark again last year.

In recent months, however, performance has been poor. Around 500,000 applications currently await processing, which amounts to a backlog of about a month's work. That is twice the level of outstanding work a year ago. Around half those applications are for people wanting to travel in August, September and beyond. The other half are for travel in July. The agency is now clearing almost 150,000 cases a week, which is 20 per cent. higher than the figure for this time last year.

The agency is prioritising work according to travel dates. In the vast majority of cases, applicants are receiving their passports by the stated travel date. However, I fully recognise that even where customers are, in the end, receiving their passports in time to travel—I entirely agree with what the right hon. Member for Maidstone and The Weald said about this—they have had to endure a good deal of anxiety and, in come cases, considerable trouble and inconvenience in having to make personal visits, with long waits, to the caller offices in London, Liverpool, Newport, Belfast and Peterborough.

Mr. Edward Leigh (Gainsborough): A constituent of mine was forced to travel to Liverpool and miss a day's work. He noticed that the queue outside the office had vanished, but it had simply been transferred inside. I refer the Home Secretary to questions that were asked earlier. We have been sent a picture showing that there is no queue. Is it a symbol of new Labour that real problems are simply airbrushed out of the picture? When will the queues disappear?

Mr. Straw: My hon. Friend the Under-Secretary sent the letter with a picture from the *Liverpool Echo*. That was simply a matter of record, because that newspaper had run a story saying that the queues in Liverpool had disappeared, and there were no queues at that time.

Several hon. Members *rose—*

Mr. Straw: I have given way enough.

It is pretty obvious that things have not worked out as anybody anticipated. There will still be queues even when we have returned the Passport Agency to operation at the levels that we expect, for reasons that my hon. Friend

the Member for Normanton (Mr. O'Brien) and—I think—other hon Members understand. The caller offices are there to deal with normal applications.

Although in respects other than queueing the situation is worse than that under the previous Administration—I do not suggest otherwise—I have been informed by the agency that, for six weeks in 1996 immediately following the withdrawal of the British visitors passport by the previous Administration, queues at the London caller office were longer and people were waiting longer.

The agency is clearing about 150,000 cases a week. In this calendar year, 3.25 million passports have already been issued. For literally 99.99 per cent. of applications, the agency has met due travel dates. In 93 cases, the passport has not been delivered on time, and those customers have had their plans either seriously disrupted or cancelled. Those customers obviously wanted a holiday or business trip on time and not monetary compensation—I understand that entirely—but in such circumstances, the agency pays compensation in full and as soon as possible.

I visited the agency's office in London yesterday and spoke to members of the public who were queueing. Some had been queueing for several hours; I do not for a moment regard that as acceptable. Those whom I met were showing extraordinary stoicism in the face of these problems. By 6.30 pm yesterday, 1,500 personal callers to the London office had been dealt with—twice the usual level for a Monday.

I was asked when my hon. Friend the Under-Secretary and I first became aware of the problems and what we decided to do about them. We became aware of the problems in late March from the regular reports that we receive from the agency. My hon. Friend has paid very close personal attention on my behalf to what has been going on at the agency. As soon as he alerted himself to the nature of the problems—to the early warning signs—he called in the agency's chief executive, I saw the permanent secretary at the Home Office and meetings were held. There were also meetings between my hon. Friend and trade unions.

An action plan was agreed to meet what was anticipated at that stage to be the rise in demand and the need to raise output. As a result, an extra 300 people were recruited to deal with the backlog. Staff have been working evenings during the week and over weekends to process postal applications. In order to clear straightforward renewal applications, we also agreed that, where the agency was satisfied about the identity of the applicant, certain passports could instead be extended for two years.

I recognise that the situation did not improve as we had anticipated, although I should make it clear that, having fallen in late March, output has continued to rise and is now at a record level. That must be borne in mind, although I quite understand that it is of no comfort to those who are in the queue.

As a result of further decisions, we have decided—the agency has announced this today—that an extra 100 staff will be recruited to help to deal with the backlog in addition to the 300 extra staff who are being recruited. Advertisements will be placed in the national media advising the public how best to apply for a new passport that is relevant to their travel date. Those measures should help the agency to get turnround times back to 10 days by September. That is what I am expecting.

Several hon. Members *rose—*

Mr. Straw: I shall give way to my neighbour.

Mr. Evans: The announcement of the extra 100 staff and anticipation of September is fine, but unless my constituent Sharon Gowan gets her passport by Friday, she will not be able to go on her honeymoon. The Home Secretary said that compensation is often not what people want. My constituent's honeymoon will be ruined, yet the cheque for her passport was cashed in May. Will the right hon. Gentleman assure her that, without queueing for a whole day at an office, she will be able to get a passport by Friday so that she can go on her honeymoon?

Mr. Straw: I will give the hon. Gentleman the assurance that his constituent will get her passport. *[Interruption.]* Whether Opposition Members raise their eyebrows or not we will move heaven and earth to make sure that she gets her passport. I have had constituents in similar circumstances. I do not ask special favours of the passport office—any more than I do of any other part of government—because I happen to be Home Secretary. *[Interruption.]* I consider it extremely important for people in positions such as mine not to ask for favours in such circumstances. Where such cases have been raised, my office in Blackburn has dealt with them, and they have been dealt with satisfactorily.

Several hon. Members *rose—*

Mr. Straw: I have taken a large number of interventions. I shall give way to the right hon. Member for Maidstone and The Weald, then I shall get on with my speech.

Miss Widdecombe: I am grateful to the Home Secretary for giving way. I am intrigued by his last answer, which promises special treatment—I am delighted that it does—for the constituent of my hon. Friend the Member for Ribble Valley (Mr. Evans). Can the Home Secretary give a similar assurance to all those with equally urgent business abroad who are biting their fingernails because they have not heard from the passport office, and are in despair because they do not know what will happen? Are the only people who can get such a guarantee to be those whose cases are raised specially in the House?

Mr. Straw: No, I did not promise the hon. Member for Ribble Valley (Mr. Evans) special treatment. I did promise him the same kind of treatment as every other right hon. and hon. Member has received from my hon. Friend the Under-Secretary and his private office.

Several hon. Members *rose—*

Mr. Straw: I shall proceed with my speech. I have already taken many interventions, as I am always delighted to do. I shall take an intervention from my hon. Friend the Member for Falkirk, East (Mr. Connarty).

[Mr. Straw]

then I shall set out other arrangements that we will put in place in respect of applications up against a late travel date.

Mr. Michael Connarty (Falkirk, East): I am grateful to my right hon. Friend. Is he aware that—not by going through a Member of Parliament but by sending a clear explanatory letter by fax to the Glasgow office—several of my constituents reported that within half an hour they had a reply and a promised delivery date, which was kept to? I have found that if people's cases have a clear priority and there is a deadline to be met, they are dealt with swiftly, without having to go through a Member of Parliament.

Mr. Straw: If right hon. and hon. Members will bear with me, I shall set out the advice that we are giving about late applications.

People should apply by post as early as possible, and where possible, at least a month before travelling. People who are not travelling urgently should apply via the Post Office or a World Choice travel agent or direct to the Passport Agency by post. They should make sure that the form is properly completed, and that all documents are enclosed. Eighty per cent. of people apply by post in those ways. UKPA is prioritising all applications by date of travel, which is why we say that, in 99.99 per cent. of cases, people receive their passport on time.

A small extra charge of £3.20 is levied by the Post Office and World Choice travel agents under an arrangement with the Passport Agency, but Post Office and the travel agent staff are able to pre-check the applications and forward them direct to the agency. Because they have been pre-checked, they are being dealt with a little more quickly than direct applications.

Those who have not received their passport within seven days of their travel date should go in person, if they can, to their nearest regional passport office. Personal callers should please go to the offices only if their application is urgent—within seven days of their travel date, and not for later travel dates. We also ask people in that predicament not to leave their personal call to the last day, in case there are queries on the application. The agency has assured me that those travelling later in the year will be dealt with within the agreed time.

Mr. Douglas Hogg (Sleaford and North Hykeham) *rose—*

Mr. Straw: Let me deal with those who need to travel urgently. For the time being, those who need to travel within two weeks and who have not made any application must apply in person at their nearest passport office. Those who need such an urgent passport—I emphasise that this applies to urgent passports—and who for any reason cannot get to an office in person, should write direct to Mr. Kevin Sheehan, director of operations at Clive house. We will send this information in a "dear colleague" letter. I have already said that there will be standing arrangements to deal with constituents' cases.

Let me—

Mr. Hogg *rose—*

Mr. Straw: No. Let me give—

Mr. Hogg *rose—*

Mr. Deputy Speaker (Mr. Michael Lord): Order. The Secretary of State has indicated that he is not giving way, at least for the time being.

Mr. Straw: Let me deal with the background and the reasons for the current problems. As we know, the agency operates under a framework document set out in May 1996. It set the agency a number of objectives. Among them were measures to prevent and detect passport fraud, introduce a more secure passport and look at ways of involving the private sector in the issuing operation.

To take that forward, the agency carried out a review of its business during the following year to secure those changes. The information technology system on which passports were issued was 10 years old; the equipment used to print passports was out of date and becoming increasingly difficult to maintain; and the passport did not contain the latest modern security features. A new passport design was therefore needed to provide greater security. The new passport has a range of added security features, including a digital image of the holder and the holder's signature under a high-security laminate.

The International Civil Aviation Organisation, of which the United Kingdom is a member, set standards for passports, including separate passports for each traveller. The existing passport, in which details of children under 16 could be included on another person's passport without a photograph, does not meet those standards. Some countries—including the United States, Japan, New Zealand, Mexico, Brazil and, from September, Belgium—already insist on separate passports for children. Others have agreed the principle of separate passports, including other EU countries.

The Passport Agency consulted its user group panel about the introduction of separate passports. The change was generally welcomed, particularly by those groups concerned with preventing child abduction. The right hon. Member for Maidstone and The Weald said various things about the child passport. She said that we should accept for the moment that it is acceptable to introduce the child passport, but she certainly used the word "barmy", and I think that she was describing the issuing of the child passport as barmy.

One of the organisations that made strong representations to the Government in favour of the introduction of child passports—including and especially passports for babies—was the all-party child abduction group. I have with me the list of members of the group and there are 21 Conservatives on it. I do not know whether the list is inaccurate, but all I can say to the right hon. Lady is that, four names from the bottom, under "W", her name appears. If she wants to correct the record and deny that she is a member I shall of course be happy to hear from her. A group of which she is a member called repeatedly for us to introduce child passports to reduce the incidence and risk of child abduction.

Miss Widdecombe: Perhaps the Home Secretary will answer the question that I clearly put to him. Even given

that there might be a case for that measure, why was it necessary to introduce it at the same time as he was introducing new technology? *Hansard* will show that I said postpone, not abandon.

Mr. Straw: Silence and a change of subject equals consent. The right hon. Lady is a member of that group and she was associated with the calls to introduce passports for children, including babies, as quickly as possible. Now, she is trying to resile from that.

Mrs. Helen Brinton (Peterborough): Will my right hon. Friend give way?

Mr. Straw: If my hon. Friend will hang on, I shall give way in a moment.

Mr. Hogg: Will the right hon. Gentleman give way?

Mr. Straw: I am answering the right hon. Member for Maidstone and The Weald.

I shall explain why we decided to introduce those changes with effect from 1 October 1998. I may say that the only issue raised by the Opposition spokesperson, the hon. Member for Hertsmere (Mr. Clappison), when my hon. Friend the Minister announced them in April 1998 was cost. I shall deal with that issue. There has been some insinuation that we have introduced the measure only to make money. That is completely incorrect. The cost to the applicant of a child's passport is £11, albeit that such a passport lasts for only five years rather than for 10. The cost of processing the application is £21, which is the same as that for processing an adult passport.

Although the old passport was available for 10 years, we also ensured that the cost of a child passport was reduced from £18 to £11. We fixed a figure of £11 because that was being charged to amend an existing passport to include children.

We decided to introduce the changes at this time because we were changing many of the administrative procedures; that included simplifying the application form. If we were to introduce a new information technology system, it was important for it to be durable. It could not involve arrangements whereby at one moment children could be included on other people's passports, and at another moment they could not.

I understand why the right hon. Member for Maidstone and The Weald asked whether we could have suspended the issue of child passports. That is an entirely fair question, which I raised at an early stage, as did my hon. Friend the Under-Secretary. That was not possible: it would have led to more problems than it would have solved.

Mr. Richard Allan (Sheffield, Hallam): I do not disagree with the Home Secretary on the general point about child passports, but I hope that he will accept another correction. In 1997–98, the full economic cost of a child passport to the passport service was £9.94. The £21 is the amount charged to an ordinary applicant; the cost of processing an application is far less than that.

Mr. Straw: I think that the cost of processing a child application is now higher than the cost of the passport itself—but I shall ensure that my hon. Friend the Under-Secretary responds.

Mr. Hogg: Will the Home Secretary give way?

Mr. Straw: I promised to give way to my hon. Friend the Member for Peterborough (Mrs. Brinton).

Mrs. Brinton: I thank my right hon. Friend for giving way.

I was very interested by the comments of the right hon. Member for Maidstone and The Weald (Miss Widdecombe), and by the fact that she had been a member of the all-party group on child abduction. As the current vice-chair of that group, I should like to reassure my right hon. Friend that we called for the passports, and we welcome the passports.

Mr. Straw: I am grateful to my hon. Friend. I know that she also represents a large number of passport office staff, and that she will wish to be associated with the thanks that I now put on record for all the work that they have done.

Mr. Hogg *rose—*

Mr. Gerald Howarth (Aldershot) *rose—*

Sir Peter Emery (East Devon) *rose—*

Mr. Straw: The right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) has been very persistent, so I will give way to him.

Mr. Hogg: I actually wanted to ask what I hoped might be a useful question. [HON. MEMBERS: "They are always useful."] Indeed, they are always useful, and even perhaps helpful.

One of the problems relates to recently expired passports. It is, I think, within the discretion of the Home Secretary to devise ways in which a recently expired passport can be extended. For example, would it not be possible to authorise police stations to extend the current validity of a passport, and would it not be possible to agree with other countries to receive travellers with recently expired passports? I strongly suspect that, if it were necessary to introduce legislation rapidly to make either of those things possible, my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) would help the Home Secretary.

Mr. Straw: I have taken many interventions from the right hon. and learned Gentleman during my time on the Government Benches—and, indeed, when I sat on the other side of the Chamber. Some are helpful and constructive, as were his amendments—stimulated amendments—to the Human Rights Act 1998. This latest intervention is also helpful.

[Mr. Straw]

As I have said, there are already arrangements for extending the validity of passports, and they have helped, but I am not sure that it would be possible to make arrangements for police stations to extend passports. One of the problems is security—not security within the police stations, but ensuring that a proper record is kept at every stage. I shall examine the possibilities, however, and write to the right hon. and learned Gentleman.

Sir Peter Emery *rose—*

Mr. Howarth *rose—*

Mr. Straw: Many other Members wish to speak. I have already accepted about three times as many interventions from the opposite Benches as the right hon. Member for Maidstone and The Weald, and I now wish to complete my speech.

Let me say more about the IT system, and the problems that have arisen. Testing of the new system was completed in time for it to be introduced on a pilot basis in the Liverpool office on 5 October, and in the Newport office six weeks later. The pilot started in the low season for UKPA business, so that disruption to customers could be minimised. However, two significant problems then arose.

First, the new working processes, which involved additional checking, required more staff than was envisaged. That is true both for the parts of the system operated by the private sector and for the parts operated by the agency.

Miss Widdecombe: Will the Home Secretary give way?

Mr. Straw: I will give way to the right hon. Lady in a moment, if she will just listen to the explanation.

Secondly, some loss of output was expected in the pilot's early stages and was built into the project plans, not least the provision for making the changes in the autumn quiet season and for staffing changes. However, loss of output was greater than the agency anticipated. Despite that, more than 1 million of the new, more secure passports have been issued on the new system. A recent independent audit has confirmed that the new system's design is sound.

I in no sense minimise the problems and disruption that have been caused to individuals by the difficulties in the passport office, but output since April—since we put the action plan in place—has risen consistently and is now running at record levels: about 150,000 passports a week.

The Passport Agency increased the number of passport examiners by 250 through recruitment and promotion. Staff throughout the agency have been working high levels of overtime at weekends and in the evenings. However, it is now obvious that the roll-out is lasting longer than the agency expected, and that more staff are required than the agency envisaged at the planning stage.

On children's passports—the following point is important, too—applications were initially rather less than expected when the new changes came into force in October 1998. That may have given false reassurance to the agency. The agency went to considerable lengths to get outside advice from Government statisticians about the likely level of applications from and in respect of children. As it happens, for some months after the introduction of the change, the level of applications was lower, rather than higher, than anticipated.

I point out two things to those who are concerned about the idea of a baby's photograph being put on a passport. First, of the 400,000 voluntary applications for children's passports, quite a number have been in respect of babies. Secondly, although we all understand that a photograph of a baby may not provide the same identity two or three years later—in some cases, even a few months later—the immigration service and all the child abduction pressure groups say that the totality of the evidence provided by a passport provides far better reassurance and security checking than a simple name on someone else's passport ever does.

Sir Peter Emery *rose—*

Mr. Gerald Howarth *rose—*

Mr. Straw: The right hon. Member for Maidstone and The Weald wished to ask a question.

Miss Widdecombe: It seems that, in that explanation, the right hon. Gentleman has confirmed what we said earlier—there was a coincidence, which I now realise, given the timetable that he has set out, was even closer than I thought. In October, it became law that children had to have their own passports and, again in October, the first experiments were tried. Why were two brand new burdens put on the Passport Agency at exactly the same time? That was underlying all the questions that I asked earlier. I still have not had an answer to that one.

Mr. Straw: I have given the right hon. Lady an answer. There has never been the least secret about the fact that the change in the application arrangements for children's passports was introduced at the same time as changes in the procedures and the pilot IT system. The two were designed to be integrated, and for good reasons. It was much more cost-effective to do that. As we were making changes to the system by which passports were produced—which will, I hope, last for many years—it made sense at the same time to make changes in the application procedure, which, in respect of children, simplify the procedure; there is one application for each person, not one application that may include a number of other people.

Sir Peter Emery *rose—*

Mr. Howarth *rose—*

Mr. Straw: No. That was the last intervention.

As I have explained, as it happened, the application levels in respect of children in the first five or six months of the new pilots being rolled out were lower, rather than higher, than we anticipated. Since April, however, the intake of applications for both children and adults has shown a significant rise—well in excess of normal seasonal trends. Current figures show intake 40 per cent. higher than last year. If that pattern continues, this year's intake will be the highest ever.

The agency tells me that intake is expected to fall sharply at some stage next month and that it will then be able to deal quickly with the arrears. It tells me—I expect this to be achieved—that the time for clearing properly completed applications will be down to 10 days by the end of September. With the extra staff now being brought in, the agency expects to be able to hold that level of performance in future.

The agency has quite rightly deferred plans to roll out the new system into the remaining offices until the arrears are cleared this autumn. It is not true, as the right hon. Member for Maidstone and The Weald has tried to insinuate, that, once the system had been set in train, no alterations were made to the programme to take account of the increase in demand. We have had to make sensible changes to the arrangements to ensure that demand can be coped with.

Mr. Andrew Miller (Ellesmere Port and Neston): I am grateful to my right hon. Friend for his detailed explanation. I am sure that my constituents will welcome his observations. It is a pity that I did not get an apology when I had to queue all the way round Liverpool passport office, but that was under the previous Administration. I do not remember any apology or any explanation on the record to the House.

Mr. Straw: It is doubtful whether my hon. Friend would ever have received an apology from a Minister because, as I said earlier, Ministers under the previous Administration were seeking to evade responsibility and, so far as they could, never to say they were sorry.

The current backlogs have resulted in severe problems with the telephone service. People are understandably anxious when they have submitted their applications some time ago and have not heard anything, so there has been a significant but understandable surge in inquiries by telephone and fax. In May alone, the agency recorded more than 1.5 million calls, many of which have gone unanswered. The agency has had to make the difficult operational decision between using staff to answer the telephone or to concentrate on passport issuing to ensure that passports are received in time to travel. It has chosen to do the latter, but I acknowledge the anxiety and frustration that has resulted, and so does the agency.

Steps are now being taken to provide an adequate telephone service for passport inquiries. I am sorry to say that those changes will be too late to deal with the current problems. We do know that once turnround times are brought down to 10 days, call volumes will drop dramatically, to levels at which the agency can provide an acceptable service. By the autumn, the agency should have brought the present unsatisfactory situation under control and the extra staff should enable lasting improvements to be made.

The framework document to which I referred earlier is due for review later this year. The current chief executive, David Gatenby, who has been in post since 1994, told the Home Office late last year of his decision to retire this summer. A new chief executive, Mr. Bernard Herdan, has been appointed to take up his post on 1 October. One of his first tasks will be to conduct the review of the framework document. There will be a substantial independent element in that review and Ministers will be taking a close interest in its outcome.

I should like to pay tribute to the staff of the agency. They have worked extraordinarily long hours in difficult circumstances to ensure that travel needs are met. I thank the right hon. Member for Maidstone and The Weald for her tribute to the staff. This, at least, is not remotely a party issue. As the right hon Lady and I have seen—as have many of my right hon. and hon. Friends—the staff have shown extraordinary good humour in difficult circumstances.

Miss Widdecombe: Will the right hon. Gentleman give way?

Mr. Straw: No. I am just at the end of my speech.

I acknowledge that this has been a difficult year for the agency's customers and for the agency itself, for the reasons I have outlined. Despite the difficulties, the agency has continued to meet the travel needs of the vast majority of its customers. In recent weeks, it has not delivered the very high level of service to which the agency and I are committed and which the House expects. I should like to assure the House that firm action is being taken to put the agency's performance back on track and to resolve the difficulties that I have outlined to the House today. I commend the amendment to the House.

4.49 pm

Mr. Richard Allan (Sheffield, Hallam): I should like to start my contribution by echoing the comments of the Home Secretary and the right hon. Member for Maidstone and The Weald (Miss Widdecombe) in praise of the staff at the Passport Agency. My constituency employees, in common with those of many other hon. Members, have found them extremely courteous when dealing with individual cases. My staff have made some firm friends in the Passport Agency, the Immigration and Nationality Directorate at Croydon and the Child Support Agency over the many happy hours that they have spent on the telephone together dealing with my constituents' business.

The Home Secretary worried all of us by suggesting that bad luck in the Home Office comes in fours. The right hon. Lady cited three instances, and we are left wondering what the fourth could be. Perhaps it is the Home Secretary's plan to place criminal record checks in the hands of the Passport Agency, to add to its work load. That decision was taken on the basis of its

"proven track record of discreet delivery of a large application driven service"—[*Official Report*, 14 December 1998; Vol. 322, c. *356*.]—

and in particular recognition of its

"experience of procuring information technology using public-private partnership arrangements which will be appropriate for the setting up of the CRB".—[*Official Report*, 16 June 1999; Vol. 333, c. *159*.]

The Liberal Democrats feel that the proven track record of the agency's ability to set up a new IT system must be called into question in the context of the Criminal Records Bureau.

Rev. Martin Smyth (Belfast, South): I notice that the Liberal Democrat amendment has a specific reference to the IT problems. Have any lessons been learned from the computerisation in Lunar house? Are we satisfied that the consultancies involved have been up to the mark? Can we discover who they are?

Mr. Allan: The hon. Gentleman raises an important point. There are two computer systems. The current

[Mr. Allan]

Administration signed up to the Passport Agency's computer system with Siemens business systems in July 1997, so must take some of the responsibility. They should have learned some lessons from the introduction of the system in the Immigration and Nationality Directorate at Lunar house. That contract was signed by the previous Administration in 1996, and has caused equal if not worse problems.

Indeed, there seems to be a conspiracy to fill up the country. The IND at Croydon is unable to give foreign nationals their passports back so that they can leave the country, and the Passport Agency is unable to give British nationals passports so that they can leave the country. Some important lessons could be learned about the management of IT contracts by government at both venues, and I hope that the Government will take them on board.

Mr. Maclean: I am following carefully what the hon. Gentleman says. Has he seen the press release issued by the National Audit Office, which confirms his remarks? The NAO examined the Home Office computerisation programme, and one of its recommendations is:

"Departments should consider whether a proposed project might be too ambitious to be attempted at one go."

Mr. Allan: That is an interesting report by a worthy body. As a former IT professional, I take a close interest in these matters. With Government systems—many others have similar problems—hope triumphs over reality. Agencies and organisations try to meet over-ambitious efficiency targets, and they lay off staff ahead of a new computer system that is intended to make savings. A commercial company would not risk doing that. A large utility running a similar business would not take the risks that monopoly suppliers, such as the Passport Agency, have taken.

Mr. Mark Todd (South Derbyshire): I too was an IT professional before I entered the House. The experience on this and other projects is that basic disciplines, such as risk analysis before entering a project, project management, clear accountability for running a project, and appropriate contingency planning seem to be missing in the public service.

Mr. Allan: The hon. Gentleman has outlined a set of good remedial measures, and I hope that they are being noted for future computer projects.

I have been disappointed by the Government's response to the concerns that have been raised by the Passport Agency—until today, when the Home Secretary has at least come to the Dispatch Box with some form of apology. I was disappointed in their earlier responses, which seemed to shoot the messenger and blame the customer. The Government's view was that if they did not tell people about the problem, it would go away. Their ostrich-like approach has clearly been shown to have failed. Other hon. Members will have had constituents with problems similar to those that exist now, way before any publicity was given to the issue. The problem existed and was shown to be building up for many months. Delays to the average processing time increased month on month.

My hon. Friend the Member for Southport (Mr. Fearn) wrote to the Home Office as long ago as April this year, dragging the problem to its attention and seeking a remedy. However, little action was taken until June, when the first recruitment of extra staff took place.

Mr. Ronnie Fearn (Southport): I actually wrote at the end of March and in early April, and perhaps that prompted the Home Secretary to take the initiative. At that time, people at the Liverpool office were desperate and asked me to do all that I could to get some improvement. We have heard that 300 members of staff were put in quite late. Why was there no action in March—when I and, probably, other hon. Members wrote—to put people into the Liverpool office?

Mr. Allan: My hon. Friend is right. Early action would have saved the Passport Agency money and saved a large number of constituents huge distress.

In May, my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith)—on behalf of the Liberal Democrats—acted as an early-warning system for the problems by tabling parliamentary questions, and by publicising the fact that there was a problem with the delays and that the average processing time had increased.

Mr. Harry Barnes (North-East Derbyshire): Is the point that the hon. Gentleman is now making about his right hon. Friend the Member for Berwick-upon-Tweed referred to in the first line of the Liberal Democrat amendment, in which it claims that

"the Liberal Democrats first exposed the problems at the Passport Agency at the end of May"?

Questions were being raised in this House from March onwards about the problems, some of which have been mentioned. For instance, I made a speech on the Floor of the House on 26 May—but I would never be immodest enough to table a motion that referred to the hon. Member for North-East Derbyshire first exposing the problem at the Passport Agency at the end of May.

Mr. Allan: I admire the modesty of the hon. Gentleman. We are referring to work done by this party which was widely publicised in the national press. In the context of this debate, we felt that it was important to make sure that the House was aware of the work that had been done. I take nothing away from all hon. Members who have worked on this matter. I particularly give full credit to the right hon. Member for Maidstone and The Weald for her cruise missile strike against the Government today. In this debate, we join her in criticising the Government in the strongest possible terms, in an attempt to achieve some joined-up opposition.

The right hon. and learned Member for Folkestone and Hythe (Mr. Howard)—who, I believe, is a good friend of the right hon. Lady—was a prophet, a Nostradamus of our time. In the UK Passport Agency framework document of May 1996, he stated in the foreword that the agency faced "a challenging period." Clearly, the right hon. Lady is in place now to make the challenges.

We looked at the problems, in common with many other hon. Members, earlier this year. We were able to show that the applications in March 1999 amounted to a backlog that was 32 per cent. higher than one year beforehand, and that the problem had been growing month

on month. We noticed in particular that problems existed at the Liverpool office; as a Member representing a northern constituency, I am especially sensitive to problems at the Liverpool office.

We sought to draw these matters to the attention of the Government, who gave what we felt was a negative response from 31 May until 2 June, when it was said that an extra 300 staff would be recruited. Since then, only one of the six Passport Agency offices has seen its average processing times reduced. In five out of the six offices—on the Passport Agency's own figures—the average processing time is longer now than it was four weeks ago. We now have a backlog of more than 500,000, compared with only 220,000 in March.

Sir Robert Smith (West Aberdeenshire and Kincardine): The Home Secretary alluded to statistics projecting a higher demand earlier in the trial. When the statistics were undershot, alarm bells did not ring about the pent-up demand that would come later. Perhaps the undershooting was misread as a reassurance that there would not be as much of a problem as previously thought.

Mr. Allan: The problem is the lack of slack and contingency planning to allow for variations. The agency has been under tremendous pressure to make efficiency savings—of 24.5 per cent. from 1995–96 to 1997–98—so it has considered any chink of light and been glad to cut costs anywhere, rather than allowing any slack in the system. A system that fails to deliver has not made efficiency savings: it has made cash savings that have turned out to be inefficiency savings.

We are concerned about those who have missed their travel dates. According to a parliamentary answer from the Home Office, there were 95 such cases in all in 1998–99. There have been 50 so far this year. We are concerned also about those who did not declare a travel date, because it is quite common not to do so.

Fifty may sound like a small number, but it represents 50 families whose holidays have been ruined, or people who may have failed to make important engagements abroad. The individuals concerned should be compensated. Another parliamentary answer said that the Passport Agency's current policy is to reimburse, by an ex gratia payment, the reasonable out-of-pocket expenses incurred by customers as a direct consequence of clear operational errors or failure to provide an acceptable level of service; that each case is considered carefully on its merits; and that it is not the agency's normal policy to make compensation for distress and inconvenience arising from such errors and failures.

Is that still the case? People will be especially interested to know whether there will be compensation for distress and inconvenience, which will in many cases have been considerable. How have the budgets been revised for compensation? In 1998–99, 74 per cent. more was paid in compensation than in 1997–98. What might the total be for this year? That money is being wasted, in the sense that it should never have needed to be paid.

The Home Office has offered several reasons for the problems that we do not accept. Passports for children serve a useful purpose in preventing abduction. I noted earlier that my hon. Friend the Member for West Aberdeenshire and Kincardine (Sir R. Smith) has a child on his passport. The line adding the child strikes me as easily forged, so having a separate document will bring real benefits. It is astonishing, however, that effective preparations for the change were not put in place. There is no excuse for the Passport Agency failing to deliver it effectively.

I have heard anecdotally that one problem that has arisen is that when one child is issued a passport, the other children in the family want one too. Such human factors could and should have been taken into account.

We do not believe that it is reasonable to blame the IT system. It is traditional on the telephone to blame the computer.

Miss Widdecombe: If one can get through.

Mr. Allan: I will come to that in a minute, as I am quite exercised about the unacceptable standard of service on the telephone.

How much were Siemens and Security Printing Systems fined, or is it like the Immigration and Nationality Directorate system, in which no fine is levied but the company does not get paid when the system is not running effectively? The system is working, but not as well as it should.

I know that the Home Secretary has an interest in freedom of information, but I hope that he will not cloak this problem of genuine public concern in a cloud of commercial confidentiality. People who hand over £21 or £31 have a right to understand how that money is spent and whether it is spent well. I hope that commercial confidentiality will not be trotted out as an excuse for not revealing how Siemens has suffered for failing to reach contractually arranged targets.

How much has been levied on the Immigration and Nationality Directorate contract, where the problems have been even more extreme? A pattern is evident that needs to be examined as a whole. It is not enough simply to take each information technology system in isolation, as the lessons will apply to the delivery of any such system.

High seasonal demand was one of the original reasons put forward to explain the delays. That is a "leaves on the track" argument and is unacceptable. High seasonal demand is a recurrent feature. A person who telephones British Gas with a complaint in the middle of winter is not told that the high demand for gas in winter means that the complaint cannot be satisfied. Responses such as that from any of the comparable utilities would put them out of business. One of the matters needing attention is the extent to which a monopoly supplier can extend periods of inefficiency because people have no choice of supplier.

Mr. MacShane: The demand for passports has risen by nearly 200,000 since 1997. Does not that show that people are happier under a Labour Government, that they want to travel more and that they have the money to do so? It is not a matter of seasonal demand, but of our Government's success.

Mr. Allan: The hon. Gentleman has his view, but others may suggest that people are fleeing from the present condition of the country. I do not want to get into that debate, but the Government should have been able to plan for the happiness factor when they took office. Two years ago, they should have anticipated the wealth that they were going to create, and required the Passport

[Mr. Allan]

Agency to issue more passports. Whatever the real cause of the delays—the hot summer weather or the Government's successes or failures—it is no longer acceptable to cite seasonal demand as the reason for the failure properly to deliver public services.

The utility providers do not behave in this way any more, because regulators monitor their operations, yet Ministers are ready to attack any other provider of a core service that fails to deliver. When the train services fail to meet their targets, Ministers line up to criticise them. They levy fines and believe that the system of regulation governing those providers should be strengthened. We agree about that, but why should the Passport Agency be exempt from the general structure? A target is a target, and there are penalties if it is not achieved.

Miss Widdecombe: I am grateful to the hon. Gentleman for giving way. I had a question that I wanted to ask the Home Secretary, but he had become rather exhausted and would not take it. Given that the Home Secretary accepts responsibility for what has gone wrong—and the number of things that have gone wrong, for which he has also accepted responsibility, is really rather large—does not the hon. Gentleman think that the time may have come for the right hon. Gentleman to expect a penalty to be imposed on him?

Mr. Allan: Certainly. One of the more depressing aspects of the matter is that it seems that the compensation and fines that are paid or levied will be added to the customer's costs. Passport applications will therefore cost more, which is unacceptable. The Passport Agency is self-funding, but its structure needs examination if a more rigorous system, ensuring that standards are met and not resiled from, is to be achieved. We must make sure that customers do not end up paying for the failure of the service provider.

I shall close with several suggestions for ways forward to deal with what I consider to be the key priorities, but first the hon. Member for Chichester (Mr. Tyrie) seems very keen to intervene.

Mr. Andrew Tyrie (Chichester): Incompetent planning was mentioned earlier, and it is clear that, whatever the reason, the planning was appalling and left much to be desired. Does the hon. Gentleman know whether the Government's estimates take account of the pound's strength on the foreign exchanges? Is not that likely to increase the number of people wanting to go abroad and therefore applying for passports? Should not the Government say whether the exchange rate was incorporated in estimates of the number of passports that will be demanded?

Mr. Allan: I am amazed by the number of wider factors that can be introduced to this debate. It might be even more dangerous to discuss currencies and exchange rates, as the hon. Gentleman suggests, than it would have been to debate the more general economic conditions mentioned by the hon. Member for Rotherham (Mr. MacShane).

I want to offer the Home Secretary some positive pointers towards key improvements. First, there should be a telephone call centre. People come to our surgeries because they cannot get through on the telephone. Again and again people say that they are sorry to bother us, but they have been on the phone for hours. They are not exaggerating, and that is not acceptable. Utilities set strict targets, answering 80 per cent. or 90 per cent. of calls within a specified number of rings. The targets are monitored, and the regulator checks them. Anything less than the target is deemed unacceptable.

Setting up a call centre system would bring considerable savings to the Passport Agency. We have been told that one way around the problem is to write to the agency, but I cannot believe, given the modern technology of 1999, that answering letters can be cheaper than answering telephone calls. The Passport Agency would save money by having a call centre in which people with computers could answer basic queries about the progress of an application, preventing people whose applications relate to August and September from queueing, as the Under-Secretary wishes them not to do. The problems would be greatly reduced if people could simply get through on the telephone.

The cost of a modern call centre should not be inordinate. The utilities, for example, with their high seasonal demand, can spill over from one call centre to another. The hon. Member for Rotherham would surely agree that south Yorkshire is an excellent site for a call centre, as the area is already developing centres in abundance.

We must also offer guaranteed service targets for processing times. The number of days before travel at which the passport will arrive is critical to the applicant. It is not acceptable to tell a customer that he or she will receive documents before travel, but that they may arrive one or two days before. We cannot tolerate that level of service, as it would generate queries and personal applications. The agency should be able to say that, if people have applied four weeks ahead of the date of travel, the passport should be guaranteed to arrive at least a week ahead. I hope that the Government can accept that target, as well as learning lessons about the information technology contracts and making improvements for the future.

Has there been any progress on consideration of a photocard passport, as mentioned in the agency's report for 1997-98, following the introduction of the photocard driving licence? It seems bizarre that someone who has obtained a passport at great expense and trouble, and who is travelling only within the European Union, will have the passport checked in the most cursory way. We have abolished embarkation controls. The airlines check passports because of carriers' liability, but documents are not checked in detail.

Security issues arise over the issuing of full 10-year passports to people who take only an occasional trip within the European Union. A proper balance must be struck between the desire for secure border controls and the issue of documents that are unnecessarily inconvenient to the customer and a risk to security. The Home Secretary said that the Passport Agency deals with one of the greatest volumes of demand in the world, and that is probably because we have so much intra-European Union travel. Yet, almost exceptionally within the EU, we require a full passport. Following the removal of the one-year British visitors passport, have the Government done any work on alternative documents for travel within the EU?

I hope that the Minister will respond to those substantive points, and I am grateful to him for coming to the Dispatch Box with an apology.

5.15 pm

Mr. Bill O'Brien (Normanton): First, I congratulate my right hon. Friend the Home Secretary on the way in which he has dealt with the issue and explained to the House and the country the reasons for the problems that the UK Passport Agency has encountered. I also congratulate him on offering a reasonable apology to everyone concerned for what happened at the agency.

Like many other hon. Members, I have received representations from constituents who have had difficulties in obtaining their passports. With the exception of one, all the representations that I made have been accepted and my constituents have received their passports in time to meet dates for holidays or business trips. Therefore, I must also offer my congratulations, as my right hon. Friend and others have done, to the staff of the UK Passport Agency for their work in the past four or five weeks to deal with the problems that they have encountered. I know for a fact that the chief executive and other senior members of staff have been working long hours to try to resolve the problems that have faced the agency recently.

I visited the passport office in London a few months ago. I was concerned about the number of fraudulent applications for passports—I understand that about 1,400 instances of people applying for passports illegally have been discovered by the agency in the past year. We should never lose sight of that problem. We must have tight control over applications for passports to ensure that only bona fide applicants receive them. There must be tremendous pressure on that section of the UK Passport Agency that ensures that passports are vetted to such a degree that people do not obtain them fraudulently or illegally. I hope that my right hon. Friend the Home Secretary will insist that that issue is a prime concern of the agency.

I also congratulate my hon. Friend the Under-Secretary who, I understand, has been involved with the agency ever since the problem emerged and has updated Members of Parliament on the way in which the issue has been handled. My hon. Friend and members of his Department did not relax their efforts to ensure that people who had applied for passports received them in time to depart on holiday or on business.

The queues have been mentioned this afternoon and we should clear up that problem. I was disappointed in the right hon. Member for Maidstone and The Weald (Miss Widdecombe), who was reluctant to give way to Labour Members. She intervened on my right hon. Friend the Home Secretary and the hon. Member for Sheffield, Hallam (Mr. Allan), the spokesman for the Liberal Democrats, no fewer than six times. The right hon. Lady made a full contribution—40 minutes at the Dispatch Box—and intervened on other speeches, but was reluctant to give way when Labour Members tried to intervene. That was most unreasonable. Although the right hon. Lady has said that she is a reasonable person, she did not demonstrate that this afternoon.

The hon. Member for Lichfield (Mr. Fabricant) is no longer in his place, but he said that he has seen queues only on a Tuesday. That is because he only passes the office on a Tuesday. If he had been there on Monday, Wednesday, Thursday or Friday, he would have witnessed the queues. In my experience, there have been queues for the past 16 years; queueing has always been with us. We are concerned that the queues have lengthened, but people have always gone to the passport office to pick up a passport for the same day, or within 24 or 48 hours. Queueing has always been an accepted way to obtain a passport. However, we should now try to ensure that there should be no reason whatever for queueing. As a result of our debate on this important matter, I hope that we can find a way to prevent queueing at the passport office.

Mr. Maclean: A few years ago, I used to live in that area. There were short queues during the summer months, but nothing on the scale that we have seen recently. Is it not true that people queued at Petty France because, in the past, one could obtain a passport quickly? It was a convenient way to get a passport on the same day. People now have to queue because they cannot get a passport by any other means—the normal, conventional means of writing to the passport office.

Mr. O'Brien: I challenge that point. People who are queueing today, and who queued yesterday and the day before, did so because they wanted their passports urgently. People present their case early in the morning and are allowed to return in the afternoon to collect their passports; indeed, some people collect their passports there and then.

Although I accept that there is a problem and that that is unsatisfactory, we should remember that there has always been a problem. People have always presented themselves at the office to get a passport urgently. We should have a system in which, if people need a passport urgently, they can obtain one urgently, without having to queue outside the passport offices. The inclement weather gives rise to a further concern; no one wants people to queue in the rain to obtain a passport—or for any other purpose. When my right hon. Friend considers the future of the Passport Agency and the distribution of passports, I hope that he will try to ensure that people do not have to queue outside the offices at all.

There must be new information technology to develop the service, but that technology must be secure, as well as ensuring that the service is speeded up. It is rather sad that the new IT equipment provided by Siemens failed, and has not yet been put right. One of the problems that we face at present is that we relied too much on that new technology at two offices. It has not delivered the service that the Passport Agency wanted.

The Government's amendment notes that we must maintain security at all times. I prefaced my contribution to the debate by pointing out that I was concerned about security a few months ago. I visited the passport office and witnessed some of the illegal and fraudulent means that people use to obtain passports. The staff are to be congratulated on finding out about those frauds. The Government's amendment makes the only reference to security in our agenda for the debate.

I appeal to the House: if we sincerely want to find a way forward, to reorganise the Passport Agency and to introduce a better system for the future, we should give the Government's amendment our support. I shall support the amendment because it not only outlines but the current

[Mr. O'Brien]

problems refers to the important issue of security. I appeal to hon. Members on both sides of the House to support the amendment because it offers the best proposal for the Passport Agency.

5.25 pm

Mr. James Clappison (Hertsmere): My right hon. and hon. Friends deserve many congratulations for raising in an Opposition day debate the subject of delays in the issue of passports, because such delays are a cause of inconvenience, hardship and anxiety to many hundreds of thousands of our constituents. The importance to many people of their annual holiday should not be overlooked; our constituents will want answers to the questions that have been asked today and assurances that lessons have been learned from this sorry episode.

I give credit to the Home Secretary for endeavouring, in the latter part of his speech, to answer some of those questions. It is kinder to draw a veil over his earlier remarks, especially his references to the previous Government. The right hon. Gentleman adverted to agencies, but he appears to have changed his mind about agencies and their responsibilities.

Mr. Straw *indicated dissent.*

Mr. Clappison: Well, agencies might be one of the matters on which the right hon. Gentleman has not changed his mind, but there is a long list of subjects on which he has changed his mind since entering government. That long list includes privatisation of prisons—he looks quizzical, but I remember many criticisms of private prisons uttered by the then Labour Opposition. The list also covers subjects such as the right of silence; freedom of information, on which he has recently made a decision; carriers' liability; and employers' liability for checks on illegal immigrants, on which point he has reversed a promise made by the previous Government. As for today's explanation of the Passport Agency's difficulties, the jury is still out—which is another matter on which he has changed his mind.

Mr. Straw: It is of great interest that the Conservatives are having to draft in junior Opposition Front-Bench spokesmen to speak from the Back Benches in this debate—that says something. I have not changed my mind about the relationship between agencies and central Government. My position is the same today as it was in opposition: agencies have a role to play, but my concern was and is about the nature of the relationship and about whether Ministers should take responsibility for what went on within agencies in difficult circumstances.

Mr. Clappison: I entirely accept the Home Secretary's statement, but he has to accept that his assertion about agencies stands in stark contrast to the large number of serious constitutional matters on which he has changed his mind and which I have just listed.

The right hon. Gentleman asks why I take an interest in this subject. I have a personal interest, because my wife and children are among those queueing for a passport. Furthermore, a number of my constituents are in the same position. As the right hon. Gentleman knows well, I have always taken a great interest in the activities of the Immigration and Nationality Directorate and I have asked a large number of questions about that organisation in the past; at the most recent session of Home Office questions, I took up that issue with him.

I listened carefully to the Home Secretary's explanation today, but at the end of his speech several questions asked by my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) remained unanswered. My right hon. Friend asked the important question: why was a decision taken last year to introduce new technology at the same time as a requirement for children to have their own passport?

The Home Secretary has given his reasons for that decision, and it will be for others to judge the weight and the importance of those reasons in the light of subsequent events. In fairness, he must concede at least that, having taken the decision, it was incumbent upon Ministers to be on their guard, to monitor how the new system was bearing up and to take every precaution against the appearance of the familiar glitches that affect new technology.

The right hon. Gentleman admitted today that Ministers became aware of the problem last March. Ministers admitted at the beginning of May, in written answers, that they were aware of operational difficulties. If Ministers were aware as early as March this year that something was going wrong with the issuing of passports, it is reasonable to question whether they did enough to try to prevent the sorts of problems that have arisen involving people and their summer holidays. Many people who listen to or study this debate will draw scant consolation from the Home Secretary's undertaking today that, as a result of the measures now being put in place, people can expect the system to be operating by September. That will be far too late for many of our constituents.

Members of Parliament are privileged in that we have a long summer recess during which we can choose when to take our summer holidays. Of course, hon. Members are busy during the recess performing additional parliamentary duties in their constituencies, but at least we have the opportunity to choose when to take our summer holidays during that relatively long period. Many of our constituents—particularly employees—do not have that facility. They have limited holiday allocations every year and they must take them at a certain time. Our constituents often look forward to their holidays for a long time—many of them book their holidays immediately after Christmas. They have made arrangements and paid for them and their children expect to go on holiday. Therefore, they are in a state of great anxiety when questions arise as to whether they will be able to take their holidays.

Mr. MacShane: If people book their holidays in December and they are aware that they or their children require passports, why can they not apply for them in January, February, March or April?

Mr. Clappison: The hon. Gentleman must concede that members of the public could reasonably expect to have received their passports much sooner. I listened to the hon. Gentleman's rather curious explanation as to why more people are holidaying abroad. I have mentioned my family, but I am not pleading my own case because we

may take only a short break abroad this year. I enjoy my holiday at the English seaside, and I had a wonderful time last year in Devon. I shall not take any lectures from the hon. Gentleman and new Labour about where I should spend my summer holidays. We are as likely to find followers of new Labour at the English seaside as we are to see the Minister for the Cabinet Office travelling economy class.

Mr. Maclean: I hope that my hon. Friend will condemn more strongly the outrageous comments of the hon. Member for Rotherham (Mr. MacShane). It is yet another example of the Government trying to blame the public: it is their fault for wanting to go on holiday. Some of my constituents applied for passports last November, in January and in February—and they are still waiting. Blaming the public is grubby and unacceptable and it is beneath the hon. Member for Geneva.

Mr. Clappison: I think I may have been a little harsh with the hon. Member for Rotherham (Mr. MacShane). I am sure that he will tell us in due course that he makes an annual trek to the Blackpool illuminations and the sands of Scarborough.

Sir Robert Smith: It is not only holiday makers who are affected. My office received a telephone call today from parents who are extremely worried because their daughter is due to travel abroad on Sunday with a guide trip and she has not yet received her passport. The hon. Member for Hertsmere (Mr. Clappison) made a very important point: the uncertainty is damaging people's holiday plans. People look forward to that yearly event, whether it is a holiday or a guide trip abroad.

Mr. Clappison: We should not underestimate the real hardship and anxiety that the delays will cause. It has prompted people to take days off work in order to make long journeys to passport offices. For example, today's edition of the *Evening Standard* reports that a man arrived at the London passport office at 2.30 am to get a passport for his six-year-old daughter so that she can travel abroad with her class. We need to take into account how much anxiety the situation is causing our constituents. It is no good our constituents being told that they are panicking. It is understandable that people experience anxiety in those circumstances, especially when they are planning to take their young children abroad—they are not panicking.

We have been reassured that people will be able to telephone passport offices, and there have been calls for more telephone facilities. I hope that those who telephone the passport offices will have more joy than the thousands of overseas visitors who, we hear, were telephoning the Immigration and Nationality Directorate, which is in chaos, to try to get back their passports. In a written answer to me, the Under-Secretary said that every day in March, 42,000 calls were made to the Immigration and Nationality Directorate, but only 1,637 were answered. I was also told:

> "Many calls are repeat calls and, therefore, these statistics must be approached with caution".—[*Official Report*, 17 May 1999; Vol. 331, c. *261*.]

The Government draw consolation from that fact.

It is not much consolation to be told that MPs should get in touch with passport offices. When we contacted the Under-Secretary about the problems experienced by overseas visitors with the IND, he wrote back on 5 March to tell us that

> "it is disappointing to note that the number of enquiries from MPs has risen over the recent period by a factor of around 25 per cent. As I said in my letter of 12 January, it is to an extent in Members' hands how long it takes IND to return to normal levels of productivity. I would appreciate your help in ensuring that this happens by Easter."

Mr. Nigel Waterson (Eastbourne): Does my hon. Friend share my slight unease that MPs should have that fast-track approach? Of course we are here to help our constituents—in the past few days, I have been able to help a constituent of mine with such a problem, and I am grateful for the help that we received from officials—but what about those members of the public who do not think of approaching their MP, or who have an MP who is not as available or as assiduous as all the hon. Members now present in the Chamber?

Mr. Clappison: My hon. Friend is absolutely right. Of course MPs of all parties will do their best to help their constituents, but we should not rely on MPs having to take up such cases, especially when there are, as we have heard, 500,000 cases outstanding. That merely channels people from one queue to another.

People in the queue will not draw much consolation from the time scale proposed by the Minister in a letter to Members. He has been praised for all the letters that he has written to us. In his letter of 10 June, he concluded:

> "The problem is only temporary and we believe that it will be resolved in the very near future."

The Minister's time scale will be rather different from that of our constituents, who want to go on their holidays in July and August and for whom it will not be much consolation if the matter is resolved by September.

I do not want to be unkind to the Minister because he has had a lot on his plate. The hon. Member for Sheffield, Hallam (Mr. Allan) referred to the parallel problems in the Immigration and Nationality Directorate concerning overseas visitors who are experiencing delays in getting back their passports. Queues have lengthened in the immigration and asylum system.

As I said to the Minister earlier, he is perfectly fair and does not discriminate: the queue for people trying to get out of the country is as long as that for people trying to stay in the country. The hon. Gentleman has displayed such great aptitude for preventing anybody from going anywhere that he would be a natural candidate for Minister for prison security. Nobody would want to escape because the queue would be too long, and in any case, any would-be escapers would be let out much earlier by the Minister because of early release and tagging schemes.

The hon. Gentleman has parallel queues to deal with. The Government, and above all the Home Secretary and the Under-Secretary, need to take on board the fact that this has been a sorry episode and lessons must be learned. It is right for this matter to be raised in the House; it has caused much inconvenience and there must be detailed answers to the questions that have been asked. The problems cause great hardship to many of our constituents. We need Ministers to accept responsibility—rather than to tell us that the public or MPs are to blame—and to analyse where things have gone wrong. They must ensure that lessons are learned from this sorry debacle.

5.40 pm

Mr. Denis MacShane (Rotherham): I am glad to follow the hon. Member for Hertsmere (Mr. Clappison), who made some very good and sensible points.

This has been a useful debate. Despite the fact that we all read that the House of Commons never affects what the Government want to do, I expect that my hon. Friend the Under-Secretary, and my right hon. Friend the Home Secretary, would rather that this debate had not taken place. Perhaps it has accelerated some management decisions that needed to be taken.

Now that we are in calmer waters, the queue to speak is much shorter than those outside passport offices, and the Front-Bench cruisers have left the Chamber for a cup of tea—one of them, my right hon. Friend the Home Secretary, has just returned—perhaps we can discuss the matter seriously. I am glad that we have a Home Secretary who is prepared to say sorry and accept responsibility in the House of Commons. That is one heck of a change from the previous Administration.

It disappointed me that the right hon. Member for Maidstone and The Weald (Miss Widdecombe) did not offer a single solution. She is wallowing in the publicity of going down to the queues in Petty France, but not proposing one—just one—solution. The hon. Member for Sheffield, Hallam (Mr. Allan) proposed some solutions, the hon. Member for Hertsmere proposed some, but the right hon. Lady, who is no longer in her place, did not propose one.

In her attack on the Passport Agency, I was not sure whether the right hon. Lady was demanding that it should be re-nationalised—I wonder whether that is the new Conservative policy—or that it should be totally privatised. Perhaps it can be sold to Harrods and we can all go there to get a passport in a brown paper bag from Mr. Al Fayed.

We should set this debate in a slightly broader context. A century ago, it would not have happened; we did not need passports then. When Palmerston said 150 years ago that all people had to say was "Civis Britannicus sum" and the might of Britain would defend them, one did not have to carry a passport. Passports are a product of 20th century state bureaucracy and were introduced after the first world war.

My hon. Friend the Member for Normanton (Mr. O'Brien), whose remarks deserve careful attention, talked about security. As a country, we are a shining example to the rest of the world in that we do not demand any papers or passports from citizens of a sovereign country—the Republic of Ireland—whose policies have often opposed our own. I remember going on holiday there regularly as a boy—I still go on holiday there. One of course does not need any papers to enter the country. I wish that passports protected our country from the problems of drugs or terrorism, but I am afraid that such evidence is scant.

Ernie Bevin, our great Foreign Secretary, said that he dreamed of the day when a British citizen could go to Victoria station and buy a ticket to anywhere in the world without worrying about papers. Passports have always been a sensitive issue for politicians in this country. According to Mr. Tony Benn—

Mr. Deputy Speaker: Order. The hon. Member must remember that we refer to Members by their constituencies.

Mr. MacShane: In his diary entry of a Cabinet meeting in 1978, my right hon. Friend the Member for Chesterfield (Mr. Benn), whom some of us will be very sorry to see leave this place, recorded that, when it was first proposed that the European-style passport would replace the old, blue, stiff, leather board passport, my noble Friend Lord Shore said that it would be introduced over his dead body. I am glad to say that Lord Shore is alive and well and still fighting the great anti-European cause in another place.

I have one of those old stiff blue leather passports, for the simple reason that I once turned up in a Gulf state because my plane broke down coming back from Australia, and I found that, because my passport had the stamp of Israel in it, I was not allowed in. Everyone else was put up in a Hilton and given lots of nice food and drink for 48 hours; I was stuck in the airport. I was able to get a second British passport—I do not know whether that is still possible.

If one goes to funny countries, one can get a second passport. *[Laughter.]* That was true for South Africa. Hon. Members may laugh, but many exporters from this country faced that problem. It is a genuine problem, which does not deserve to be treated with flippancy by Opposition Members.

The Passport Agency managed to lose my passport and birth certificate five years ago, so I am not necessarily its biggest fan.

What are the causes of the present problem? Hon. Members enjoyed themselves when I gently suggested that an extra 200,000 people applying this year was a tribute to the fact that British citizens enjoy their holidays abroad. They have a stronger pound, and more of them are in work. I do not know whether that can be factored into the way in which the Passport Agency plans its activities, but it certainly was not.

The British visitors passport was withdrawn by the previous Government. That was the automatic passport for many of my constituents. They went to the post office, showed their birth certificate, got their pink passport and off they went on their holidays. My purpose is not to lay blame, but the withdrawal of a popular and much-used travel document without the introduction of adequate replacement mechanisms cannot be attributed to the present Government.

There is the further problem of children requiring a separate passport. I am sorry that the right hon. Member for Maidstone and The Weald is not in her place. I thought that she was flippantly irresponsible in her handling of the subject. Each year, 120 children are abducted. To say that a baby's picture on the passport is no hindrance to anyone planning an abduction is nonsense. The children cannot simply be put on the parent's passport. A husband or wife who wants to take the children out of the country must go through the procedure of getting a separate passport for each child. That must help to slow down an extremely serious problem. The right hon. Lady dealt with it with disgraceful flippancy.

The computer contract was drawn up under the previous Administration. Perhaps my right hon. Friend should not have signed it, but I pay tribute to him for being honest and communicating with hon. Members. He has done his best. I have had problems in my constituency—

Mr. Maclean: I am grateful to the hon. Gentleman for giving way. How honest was it to distribute a photograph and say that there was good news—there were no queues round the passport offices last Friday?

Mr. MacShane: I am not responsible for what the *Liverpool Daily Post* publishes. I recall queueing up at Petty France in the 1970s and 1980s to get a passport.

The problem is that some exceptional cases have arisen. It is also linked to the Immigration and Nationality Directorate problem, and reflects the extent to which London has become a great global city in recent years. There are 100,000 French people working in the UK. We open our arms to them. People from abroad work in our country on a scale that was not envisaged five or 10 years ago. That explains the number of people applying for passports or applying to have their passports renewed. Unlike the isolationist, anti-European, xenophobic Conservative party, I welcome the fact that we have many foreigners working in Britain and that many of our citizens want to travel to Europe and elsewhere.

Mr. Allan: The hon. Gentleman seems to be suggesting that the problem may grow, rather than reduce, with increasing globalisation. Can we ever reach a point at which there will be no queues, we have a genuinely efficient system and we stop blaming one Government or another? What are his ideas for achieving that?

Mr. MacShane: As they say in "Under Milk Wood", I am coming to that.

I have here my mobile phone—switched off, Mr. Deputy Speaker—which is on the One2One network; hon. Members should try getting through on it at any time of the day or night. We can have all the call centres in the world, but there will still be huge queues.

The real problem is that the Conservative party has enjoyed the problems created by what is undoubtedly a worrying situation. I ask all hon. Members to put their hands on their hearts. I wanted to intervene on the hon. Member for Hertsmere to ask how many individual cases have been referred to him. I have had cases referred to me, and I have tried to sort them out. I had such cases last year and the year before, and I had them when he was a Minister. I expect that I shall have them for years to come.

The almost total absence of Conservative Members from the debate shows that the problems have not been quite as they have recounted, but we should move to discussing real solutions that might work. I return to an exchange that I had with my right hon. Friend the Home Secretary at the previous Home Office questions. We should consider whether the time has come for Britain to issue voluntary national identity cards. That relates to what the hon. Member for Hallam said about a travel document.

Mr. Allan: I should make it clear to the hon. Gentleman that I am not in favour of identity cards. I was referring to the Passport Agency's own document, which says that

"Ministers indicated their wish to pursue the introduction of a photocard passport"

on the back of the driving licence, which is a photocard. I was not referring to a separate ID card.

Mr. MacShane: The hon. Gentleman is making a meal of that. Whatever we call it, the purpose of such a card would be to provide proof of identity. People can travel from the United States into Canada or Mexico using a driver's licence, which has a photograph on it and is a slightly more secure document than our driver's licence. In much of the rest of Europe, people whizz backwards and forwards across frontiers, just as the citizens of Ireland can come to this country and we can go there without showing papers.

Nearly every citizen in Europe can travel on an ID card. I have two here—I hasten to add that they do not belong to me. The French national identity card is voluntary and issued locally. The German identity card is compulsory, but it records little information. When it is renewed every 10th year, a completely new number is issued. As hon. Members can imagine, the Germans are extremely sensitive about compulsory ID cards. The countries that have voluntary ID cards are France, Austria, Finland, the Netherlands and Sweden. Cards are compulsory in other European Union member states. Gibraltar issues an ID card and people can travel on it. It is slightly odd that Britain is so far behind its own colony in issuing ID cards.

This matter was discussed under the previous Government. I refer to the Home Affairs Committee fourth report of 1996, which, in paragraph 31, concluded:

"there is a definite benefit to be obtained from use of an ID card as a valid travel card within Europe."

The response of the Government of the day was to accept that recommendation, but nothing was carried forward in their dying days.

There are discussions in Whitehall about a new driver's licence and—although wishes may be ahead of reality and there may not be such a card for some time—slightly more futuristic discussions about a card for social security and perhaps even tax arrangements are taking place. We may have to wait some time, but the driver's licence, if member states would accept it as an ID card, would more than fulfil my requirements.

Last year, I went with my wife to Spain for a wedding anniversary party. I arrived at Heathrow and found that I had forgotten my passport, which was the end of what was meant to be a lovely weekend. Had this country—like Gibraltar, other European countries and the United States—issued a wallet-sized ID card to its inhabitants, I would have been able to fulfil all her dreams and take her away for that happy weekend in Spain, but it could not start for another 24 hours.

A wallet-sized ID card is one solution. Conservative Members have been wallowing in the problem, but the hon. Member for Hallam has proposed another, concrete, solution, as I hope that my hon. Friend the Member for North-East Derbyshire (Mr. Barnes) and other hon. Members will do. We know that Conservative Members are not keen on British citizens going to Europe because they might learn something. They are locked into isolationism, which is the shame of modern Toryism. The right hon. Member for Maidstone and The Weald was so keen to encourage travel that she used to shackle pregnant women to their prison beds. She never once came to the House to say sorry for that.

I applaud my right hon. Friend the Home Secretary and I admire the willingness of my hon. Friend the Minister to take responsibility—something that never happened under the previous Government. Following the positive welcome for voluntary ID cards that my right hon. Friend offered in the House four weeks ago, will my hon. Friend

[Mr. MacShane]

set up a working party to take forward the Home Affairs Committee report and consider combining such a card with the driver's licence? That would enable many more of us to have a permanent ID card that would at least allow us to travel in Europe without having to carry or obtain the full British passport.

5.57 pm

Mr. Nigel Waterson (Eastbourne): I am delighted to participate in the debate and it is a real pleasure to follow the hon. Member for Rotherham (Mr. MacShane). This is very much a new Labour issue, although I cannot imagine the average new Labour person, of whom he is a prime example, having such a problem. They all have well-thumbed passports, as I am sure he does. He was good enough to share with us a number of aliases and showed us several cards as well as a riveting array of electronic and other equipment, which he carries about his person. No doubt all that will get him out of a tight corner when necessary—he is a James Bond figure in that respect.

Not all our constituents, and not all the hon. Gentleman's constituents, spend their lives jetting backwards and forwards between this country and Geneva, occasionally being forced to "de-plane" in unpleasant parts of the world other than Geneva. We can imagine the strain that that puts on him and people of his persuasion. As we all know, he is never happier than when travelling to other countries to explain that the Prime Minister loves the euro and that people should not believe everything they read in the English newspapers.

The Home Secretary was uncharacteristically churlish today when trying to explain his role and that of other Ministers in this debacle. He sometimes has to play on a sticky wicket, and there are not many stickier than this particular wicket, but in the past he has come to the House with a certain grace, a certain style and good-humoured willingness to shrug his shoulders and take the blame, as my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) put it. Today, he came out swinging and took refuge in a great deal of unnecessary and painfully transparent bluster to try to cover over the appalling state of affairs at the Passport Agency.

We must not forget that there are some human stories behind today's debate. Hardly a Member cannot have been contacted by constituents who are sometimes in a state of near panic, and not simply because they want to go on holiday—although for most people in this country, unlike the hon. Member for Rotherham and his new Labour chums, foreign travel is a relatively rare event. They look forward to it throughout the year, save up for it and, in many instances, organise it a long time in advance.

Despite what the hon. Gentleman suggested at one point, we are not talking about irresponsible people who have waited until the last moment to apply for their passports. As my hon. Friend the Member for Hertsmere (Mr. Clappison) said, such people may have booked their holidays many months in advance, and also applied for passports in good time. They then have the galling experience of finding that their cheques have been cashed almost instantly by an otherwise overwhelmed organisation—there is clearly no problem of staff shortage in the section that deals with the cashing of cheques on behalf of the Passport Agency—only for months to go by without a passport appearing.

Only the other day, a lady constituent rang my office. She was really quite distressed. She had applied for a passport for her daughter, who was born in January last year. This is an example of the effects of the new rule that is apparently causing so much of the backlog. She applied in late April; they were going on holiday in the middle of July. I do not think it unreasonable to apply for a passport in April if one knows that one is going on holiday in mid-July.

That lady had heard nothing. She had sent a recorded letter, and had still heard nothing. She had tried telephoning, without success. I think we have heard that some 1.2 million such unsuccessful telephone calls have been made. She rang me in desperation, asking if there was anything I could do. I am pleased to say that, with considerable help from officials, I was able to solve the problem. My constituent has received a passport for her very young daughter, and the family will be able to go on holiday as planned.

Two things make me uneasy, however. The first is the fact that the family had to go through all that simply to obtain a passport. Secondly, as I said earlier, it makes me slightly uneasy when a Member of Parliament, whatever his party, has to become involved in situations such as this—in what ought to be a mundane and purely administrative function. What ought to happen is this: people should send in the form and the money, and, given that everything is in order, the passport should be delivered within a few days. In fairness, the Home Secretary accepts that that is what ought to happen, and he tells us that it is what will happen in due course, when the backlog has been dealt with.

What is worrying is that, for every person in such circumstances who thinks of contacting me, there may be any number in my constituency—and in other hon. Members' constituencies—who have not thought of contacting their Member of Parliament. Others may have thought, as people sometimes do, "I cannot bother my MP about something like this." And how many others have tried to contact MPs who are busy or unavailable, and could not help them?

Mr. Bercow: My hon. Friend makes a powerful point. Will he also reflect on the position of those who do not approach their MP, but make representations to the authorities, and are enjoined to pay a special and unscheduled visit to the nearest office—and, having done so, incur a considerable cost? Is it not unfair that people who have to make such visits—through no fault of their own—and who may be of modest means should suffer financially as a consequence?

Mr. Waterson: My hon. Friend also makes a powerful point, which had not occurred to me thus far. It is said that compensation is available to those whose holidays are ruined as a result of such ineptitude, but what about those who take a day off work and spend that day queuing up at the passport office? The Minister may not have had a chance to think about that, but he may be able to deal with it when he winds up the debate. Is there any thought of compensating those who, having taken time off work, incur expenses such as the cost of travelling from one end of the country to the other, because the queues at Liverpool have allegedly disappeared and they think that they would do better to try their luck there?

We are not talking about people like the hon. Member for Rotherham. We are talking about instances in which, if people take a day off work, someone notices, it makes a difference, and they must make up for it in some way. Their employers may expect them to work an extra day in lieu, or to take a cut in pay. That is a serious situation for people who may have pushed their family budgets to the limit in order to afford a holiday in the first place.

A parallel problem is that of people who have handed their passports to the Immigration and Nationality Directorate, for which the Under-Secretary is also responsible. I received a letter from a constituent about this. It concerned a couple—the wife is Slovakian—who deposited their passports with the Home Office in October 1998. My constituent finally got around to writing to me in February this year, saying that the couple had heard absolutely nothing. The letter says:

"You cannot ring the Home Office and they have not even had an acknowledgement that their matter is being dealt with and that the Passports have arrived."

Such examples are legion. Another constituent contacted me only this month. Again, the wife was a foreign national, whose original visa had expired. The couple had contacted the Home Office in the usual way, leaving plenty of time. The Home Office replied apologising for the inconvenience—which is at least a step forward—and mentioning renovation works. It added the following galling sentence:

"Please do not hesitate to telephone the above number if you need assistance."

Not unreasonably, my constituent thought, "I think I will telephone that number and tell them that I need some assistance." He told me in the letter that he had spent from 8.59 am until 4.5 pm on the day before he wrote to me trying to reach the Home Office. The letter states:

"All day I received either the engaged tone or . . . recorded message."

It continues:

"These people are destroying our lives.

We are two legally married people from our Commonwealth. I am and always have been a British citizen."

The Parliamentary Under-Secretary of State for the Home Department (Mr. Mike O'Brien): I am trying to follow the hon. Gentleman's speech, but I am a little confused. Is he talking about the IND or the UKPA? Am I right in thinking that he is talking about the IND?

Mr. Waterson: I am at the moment, but I am describing a parallel problem. If the Minister will allow me, I shall pull all the threads together towards the end of my speech.

My constituent wrote:

"I am battling, and winning, my fight with Brain Cancer. I just want a peaceful life living with my wife in my country."

Those are just examples that I pulled out of my mailbag for the purpose of today's debate, but each represents a potential human tragedy. Certainly these are individuals who deserve better, but are not receiving the service that they should be receiving.

On, I think, 24 June we were told that the number of outstanding applications had more than doubled, to more than half a million. We know of instances in which people have waited for more than 12 weeks for passports. As we have heard, the service has promised that applications involving no problems will be dealt with in 10 days. That applies to straightforward, properly completed applications. I do not think that anyone is suggesting that mistakes or inaccuracies would not quite reasonably cause delays. We have also heard that, in 1997–98, more than 200,000 fewer passports were issued than in the previous year. Given that those figures were calculated before the present crisis, I wonder how accurate they are.

As my right hon. Friend the Member for Maidstone and The Weald said in her speech, the real problem has been caused by the fact that two events are happening at the same time. One is the introduction of a new computer system, which is one of the problems that bedevilled the IND; the other is the introduction of the new rules governing children's passports. There is a substantial view—out there in the real world, rather than on the planet Straw—that it is absurd to go through the pantomime of shoving an almost newborn baby into one of those automatic booths, and getting out of the way just in time for the photograph, by which point the baby has slumped on the chair and all that there is a shot of the background. The other point has been made powerfully more than once in the debate. I think that it was Churchill who said that all babies looked the same and they all looked like him, but babies and young children change their looks fast. We are told that the passports will be valid for five years, rather than the usual 10, but, again, in five years, a small child can change its appearance markedly.

Lord Williams of Mostyn, with breathtaking understatement, said that

"productivity from the new system has been lower than expected, and arrears of work have built up."—[*Official Report, House of Lords*, 18 June 1999; Vol. 602, c. 56.]

He went on to talk about "teething problems". I can do no better than quote from that old Labour organ, *The Guardian*, whose home affairs editor, Alan Travis, said at the beginning of the month about the current problem:

"It comes hard on the heels of the administrative breakdown in the asylum and immigration system. Both crises have been caused by the botched installation of new computer systems".

The great rule in life—and, above all, in politics—is, "When you are in a hole, stop digging", but that is another piece of common sense that seems to be lost on Home Office Ministers. One of the reasons that has been given for the problem is seasonal demand; as someone on the radio said this morning, it is similar to the reason that was given by British Rail for train delays: the wrong kind of snow had fallen. All these clever people, officials and Ministers, have concluded that the British public's irrational and unreasonable desire to have passports, so that they can go on their summer holidays is behind all the problems.

Mr. Robathan: Outrageous.

Mr. Waterson: It is. The suggestion that the problems could not be foreseen is particularly odd.

I think that we have had an assurance that compensation will not involve any increase in the cost of passport applications. That is welcome—it would be helpful if the Minister could reconfirm that. I wonder what Ministers' projections are for the total amount of

[Mr. Waterson]

compensation. Will the Minister also deal with the excellent intervention by my hon. Friend the Member for Buckingham (Mr. Bercow) about the separate problem of compensating those people who have taken time off work and perhaps paid to travel to Liverpool, Glasgow or wherever to try to ensure that they have their passport in time?

Last October's pilot scheme seems to be where the problems began. By admission, the Home Secretary said that the scheme was tested during a low season. On what possible basis could the success of that pilot be tested against the high pressure period in which we are currently engaged? What projections were made at the time?

It is apparent from what the Home Secretary was saying that Ministers became aware of the problem in late March. I think that he said that an action plan was then devised. All I can say is that that plan has been an unmitigated failure. Will the Under-Secretary perhaps give us a little more detail about where the shortcomings were in the action plan? He and the Home Secretary knew the problem and knew that it was building as early as March this year.

Perhaps I am being a little unfair. Perhaps the problem is all part of what we are asked to consider nowadays as joined-up government. When we left office, British tourism was at a 20-year high. Last year, for the first time in quite a few years, the total number of visits to tourist attractions in this country fell, so perhaps, in reality, the problem is a Department for Culture, Media and Sport initiative to encourage domestic tourism by ensuring that British people have to spend their money on holidays in this country.

I do not mean to be unkind to the Minister, but we all remember our history. When Napoleon was invited to make one of his soldiers a general, his only question was, "Is he lucky?" I am afraid that he is one Minister who, despite his best intentions, extremely hard work and obvious abilities, is simply unlucky. He has had the massive problems of IND with which to contend, which he mentioned in an intervention; now he has massive problems in the Passport Agency. As we approach the Government's reshuffle fairly soon, I wonder whether his talents would not be better deployed in another Department.

6.16 pm

Mr. Harry Barnes (North-East Derbyshire): It is always a pleasure to follow the hon. Member for Eastbourne (Mr. Waterson), who used to represent my late uncle Arthur, although, as he had moved from Easington colliery to Eastbourne, I doubt whether he ever voted Conservative.

Mr. Waterson: He had a passport though.

Mr. Barnes: Uncle Arthur probably had the facilities of a passport during the second world war when he served in the air force, but he may not have had a passport later in life.

I do not always attend Opposition day debates, apart perhaps for the opening speeches, because I often think that the topics are not worth getting involved in, but at least today's topic is worthy of discussion and debate. There has been much knockabout stuff from the Opposition, as might be expected, but it is important that the issue is aired vigorously and that there should be the dialectics of debate, leading, I hope, to improvements in the system and some of the relevant measures.

My right hon. Friend the Home Secretary mentioned agencies and their development, but I am not keen on the move towards them. There are certain similarities between the Passport Agency and other agencies. I think in particular of the problems that hon. Members have had over a considerable time with the Child Support Agency—constituents have not been able to get anyone on the telephone, or to get letters answered, and they have been subject to considerable delay before their cases have been dealt with.

In those cases, hon. Members are expected to act as administrators—as officers and clerks—which is inappropriate. That is not what they should be doing. On behalf of their constituents, they are obliged to pick up the pieces of systems that are not running correctly. Perhaps it is an easy way in which to gain some support from constituents. After all, by making telephone calls, entering into correspondence, or even attending passport offices, they can deliver what their constituents failed to get. Short cuts might be possible when a Member of Parliament takes a matter up.

A constituent with a serious CSA problem is often told by staff at citizens advice bureaux, other support organisations or even by those employed by the CSA, "Why don't you see your local Member of Parliament because he probably has access to certain avenues and will be able to ensure that the matter is progressed faster." To some extent, some of us keep a bit quiet about that because, if we announce that different avenues are available to us, the number of cases that we are likely to get in connection with child support and passports is liable to increase. I have already publicised the Passport Agency, however, by using a local freebie newspaper to illustrate what the problem is, and some of the difficulties that some of my constituents have faced.

We must bear in mind that there are problems with passports, irrespective of the current situation, and that those problems are just increased by the backlog. One of my constituents applied for passports for her two daughters in March. It was only a fortnight ago that she received a passport for the younger child but nothing for the older child. The older child is on the passport of her husband, from whom she is separated. She does not know where her husband lives and is in touch with him only through his parents. She is making efforts to get hold of that passport. She was asked to send a letter explaining the problems, which she did. However, as I understand it, in the meantime, the regulations have been changed and she now has to produce the passport or some evidence that it has been lost—perhaps from the police—before a new passport can be provided. That is just a normal problem.

The application was made in March but, because of the backlog, that problem has only just arisen. The child's holiday has already been delayed and it has now been put back to August. Hopefully, having approached her Member of Parliament, things can now be sorted out. However, there might be a problem with the regulations.

As we have discovered with the CSA, almost any difficulty can emerge. The complexities involved in issuing passports are considerable and, if there is an error

or a problem with the application, it might not be discovered until a week or so before a passport is due to be issued. Many applications are pushed aside, depending on the date of the holiday. That is why matters must be dealt with.

The Home Secretary said that there have been only 50 cases in which passports have not been delivered on time. That is serious. I know that there have been some narrow escapes because one occurred in my constituency. My constituents made use of the partnership scheme operated by the Post Office. They paid £3.20 and should have had their passports delivered within 10 days. A month or so later they had not received them and, two days before they were due to travel, my office discovered the problem.

An arrangement was made for the passport to be received on the morning that the family were due to go on holiday. Given that, there had to be some contingency arrangements. That involved a courier being sent from Liverpool to deliver the passport. The courier left late and the information was passed to my office. There then had to be contact with the courier on a mobile telephone in order to sort the matter out. As a result, the brother of one of the family members had to meet the courier at junction 29 of the motorway in order to collect the passport so that it would not be lost in the obscurer parts of my constituency. The family were waiting with the taxi outside the door so that they could leave immediately for Birmingham airport.

That family enjoyed their holiday, but they did not enjoy the experience before it. There could have been another case added to the list of 50. There must be many other people placed in such difficulties, some of whom may have given up before their holiday was due to take place because they could not stand the hassle. Many people are not used to jumping on aeroplanes and going overseas. This is a big issue for many and, for some, it may be the first such holiday and they do not want to deal with all the problems.

Mr. Allan: Does the hon. Gentleman agree that one of the problems with the way in which the backlog has been handled is that those who applied for their passports well in advance, which is something that the Passport Agency has been trying to encourage for a long time, have, in many ways, suffered the most because their passports have not been delivered on time? That is counterproductive if we want to encourage people to apply early because the message seems to be, "Don't bother applying early, just queue up for an emergency passport."

Mr. Barnes: If people have sussed out the arrangements, what information will they supply about the date of their holiday? Decisions are being made according to the date given for the holiday, not when the application was made.

I accept that things would have been much easier if the visitors passport system had still been in existence because, in many cases, that could have been used to cover the immediate problem without people having to travel considerable distances to queue at distant passport offices.

I welcome the improvements announced by the Home Secretary and I hope that they operate well. I accept that there will be an intermediate period in which MPs will be called upon to use the avenues available to them within the system. I hope that we get this sorted out. We have not sorted out the problems with the CSA, despite the fact that this Government and the previous Government have thrown extra money at it and talked about rejigging it. I receive as many cases as ever about the operation of that agency and I hope that I will not receive as many letters about the operation of the Passport Agency.

6.28 pm

Mr. Robert Syms (Poole): The Home Secretary was gracious enough to recognise that the Passport Agency has done a reasonable job since being set up as an executive agency in 1991. With the possible exception of a bit of a blip when temporary passports were abolished, it has by and large delivered a reasonable service. We all know that, when people turn up for passports at the last moment, it occasionally leads to queueing, but in general the Passport Agency has not been a political issue.

We are today discussing whether the current position was predictable. The computer contract was signed in July 1997—nearly two years ago. Those of us who have had any dealings with high technology know that things never go to plan: there are often difficulties, and more staff are needed. It is not therefore unreasonable to expect that things might slip.

We have been told that the changes in respect of passports for children have led to additional difficulties. The announcement about those changes was made last summer, and they were implemented in October. It did not happen yesterday or a few weeks ago—the decision was taken 12 months ago. So what has happened is that two policy decisions have come together and caused chaos.

It is clear that responsibility for that must lie with Home Office Ministers. I appreciate that the Home Office has to wrestle with many difficult issues, but in this case responsibility is clear. We have been told that an action plan was set up at the end of March. That was 10 or 12 weeks ago. We should be told today what was agreed at that stage; what targets were set; why they have not been fulfilled; and why we still have queues and newspaper headlines.

We have heard of about 93 people missing their holiday who may apply for compensation. What about those who have had to take time off work or travel many miles in order to get a passport? Is there a means by which they can be compensated?

My right hon. Friend the Member for Penrith and The Border (Mr. Maclean) referred to security arrangements. An article in *The Daily Telegraph* in March reported that security arrangements may have been relaxed. That point should be answered.

I thank the House for listening to those brief words in this important debate.

6.30 pm

Mr. David Lidington (Aylesbury): The debate has reflected our constituents' anger and frustration at the fact that a part of government which, for many years, gave what hon. Members on both sides of the House agree was a first-class service, has failed dismally to meet the targets that have been set for it. The debate has also reflected the growing anger at the fact that Home Office Ministers have failed to come up with solutions to a crisis that should have been obvious to them for many weeks and months.

[Mr. David Lidington]

It was something of a consolation to us to hear the Home Secretary admit that the service provided by the agency was not what the public deserved, and was not up to the standard that the agency and Ministers had repeatedly promised it would maintain. Only the hon. Member for Rotherham (Mr. MacShane), who is no longer present, disbelieves the experience of our constituents as reported to us day by day and week by week. Lest the hon. Gentleman or any of his hon. Friends remain in doubt, I emphasise that the story of this crisis is still being told in the Government's own statistics. The truth is that, despite all the emergency packages, action plans, apologies and good will from the Government Front Bench, matters are still getting worse rather than better.

I discovered from a written answer given to me by the Minister this afternoon that the backlog of passport applications waiting to be determined, which a fortnight ago stood at the already scandalously high total of 531,000, has now, a week later, risen to no fewer than 565,000.

Much the same record applies to telephone calls to the agency. I share the concern expressed by the hon. Member for Sheffield, Hallam (Mr. Allan). The Home Secretary told us that the Passport Agency received approximately 1.5 million calls in May. We know from written answers that 1.1 million callers got through not to a member of staff but to a recorded message informing them that all lines were busy. That means that barely one quarter of all calls to the Passport Agency are being answered.

In those circumstances, the Secretary of State must forgive us if we are somewhat cautious about accepting the travel advice and assurances that he has offered. He said that people should apply at least one month in advance, but most passport offices are taking almost two months to process routine applications. The truth is that people do not believe and trust the Government's assurances because they have been let down so badly over the past six to 12 months.

I hope that the Minister will not only respond to concerns such as those expressed by my hon. Friends the Members for Hertsmere (Mr. Clappison) and for Eastbourne (Mr. Waterson) and by the hon. Member for North-East Derbyshire (Mr. Barnes) but will give specific answers on a number of points. What is the Government's policy towards the general extension of passports by two years? Do they intend to develop that procedure further in the next few weeks to overcome the present crisis? Could those extensions include passports on which the names of children are listed? Will the Minister consider the problem of personal callers? Will he waive the £10 extra fee charged to personal callers when they have to come to the Passport Agency in person out of sheer desperation?

My right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) began the debate by making the point that we have had no proper or detailed explanation from the ministerial team of how this crisis arose in the first place. From the way in which the Home Secretary responded, one might have thought that the crisis was down to something beyond ministerial control: like the weather, it had to be endured rather than tackled. The truth is that in July 1997—two years ago—Ministers approved the contract and timetable for computerisation. In April 1998, Ministers announced that all children should be required to hold their own passports. Ministers decided that both those innovations should be introduced at once. If, for the reasons that Ministers have given, it was necessary to introduce both at once, why did they engage in such glaringly inadequate planning for such drastic innovations in the passport service?

The Home Secretary knew of the changes and had made an assessment of their likely impact when he approved the agency's business plan for 1998–99, which says:

"The major challenge for the Agency in 1998/99 will be the successful management of the project to introduce these new passport issuing arrangements . . . whilst maintaining service standards in dealing with a continuing high volume of passport applications."

Ministers set the performance targets for the Passport Agency, presumably taking account of the impact of the policy changes that they had decided and had introduced. The Home Secretary set the 10-day turnround target for handling postal applications, and the targets for answering telephone calls and for dealing with personal callers.

So conscious were Ministers of the fact that the changes were bound to have a damaging impact on the Passport Agency that they did something that the Home Secretary notably omitted to tell us about in his speech: they explicitly softened the agency's efficiency target for 1998-99 to allow it to cope with the problems that Ministers expected to arise as a result of computerisation.

Despite all that, on 21 July 1998, the Minister said that, although he anticipated difficulties, he nevertheless expected the agency

"to maintain a high standard of service throughout the year."—[*Official Report*, 21 July 1998; Vol. 316, c. *435*.]

That was the expectation in July last year. During the 12 months that have elapsed since then, there have been many occasions on which the alarm bells in the Home Office ought to have been ringing loud enough to awaken even this team of Ministers from their slumbers.

In summer 1998, the situation was already a good deal worse than 12 months previously. At the time when the Minister made his promise about high standards of service throughout the year, he already knew—or at least he ought to have known—that processing times for applications were significantly longer than in the same period in 1997. Even before computerisation and before the introduction of children's passports, the delays were getting worse.

Last winter, there was a huge rise in the number of applications outstanding at the end of each successive month—from 116,000 in November to 121,000 in December; 167,000 in January; and 280,000 in February, which is when one expects, on the basis of historical experience, that the agency should be in the slack period of its seasonal work flow.

It is no good Ministers' saying, as some anonymous spin doctors have done in recent days, that this problem is all to do with the agency; that they were never told and did not know about it; in other words, "It wasn't me guv." Paragraph 4.13 of the agency's corporate plan says that forecasts of demand for passports will be subject to—

Mr. Mike O'Brien: It is the hon. Gentleman's first outing on the Front Bench. He said that spin doctors are trying to shift responsibility. Can he justify that statement?

Mr. Lidington: If the Minister had picked up any one of a number of newspapers in the past week—and newspapers, as we know, are the Government's usual way of communicating with Parliament and the country—he would have seen many references to the sort of thing that I have described.

Mr. O'Brien *rose—*

Mr. Lidington: The Minister will have ample opportunity to reply.

The agency's corporate plan said that forecasts of demand for passports would be subject to monthly review, taking account of the actual demand experienced by the agency. It is not a matter of Ministers being overtaken by an unexpected surge in applications. Mechanisms are supposed to exist for them to be informed of, and to initiate action on the basis of, the pattern of demand experienced during the year. Having listened to Home Office Ministers, I wonder whether they bothered to read the reports coming from the agency, until the one in March this year that finally alerted them.

I hope that the Minister will address a number of long-term issues that have been raised in the debate. Security matters were addressed by my hon. Friend the Member for Poole (Mr. Syms) and my right hon. Friend the Member for Penrith and The Border (Mr. Maclean), and the hon. Member for Sheffield, Hallam (Mr. Allan) asked whether it remained the Government's plan that the criminal records agency should be administered by the Passport Agency. In view of the problems, can the Minister say whether the Government still plan to move the London passport office away from Clive house during the current financial year, since, whatever the gains to be won from that move, some short-term disruption of services must be expected?

Above all, the House requires an explanation, and a plan of action with the sort of detail that has not yet been forthcoming from Ministers. Bland assurances that they are trying their best and that it will all be over by September will not be good enough for the House or for our constituents.

The agency's business plan for 1999–2000 has not yet been published. It is hardly any wonder that people lack confidence in the Minister's capacity to deal with the crisis to which the agency is now subject. We are now a quarter of the way through the financial year, yet the Minister says that he hopes to have the plan available to him in the next few weeks. In other words, he is pleading that the business plan is in the post.

If the Minister were holding a comparable position in the private sector, that sort of handling of management and business planning would have the regulators camping in his office, the shareholders baying for his blood and the board of directors examining the fine print of his contract of employment.

I had not realised that my analogy would be quite so accurate. In today's edition of the *Evening Standard*—under the headline,

"Passport Crisis: It's Your Fault",

I found the Minister quoted as saying,

"The difficulty is that millions of people are literally phoning up because of the panic that is going on, partly as a result, I have to say, of the reporting of this."

The Minister may not have realised—the Whips may not have told him—that a spokesman for the Prime Minister was quoted in the same article as saying:

"I do not agree that there is a panic. People are understandably concerned."

The half-smiles on the face of Government Whips indicate that the tumbrel is being rolled out even as we speak.

Hundreds of thousands of decent, hard-working people in this country today are paying the cost of the idleness and complacency of Home Office Ministers. It was Ministers who introduced children's passports and who, at the same time, pressed ahead with computerisation without adequate preparation or back-up. It was Ministers who then sat on their hands while the queues lengthened, the backlog of post piled up and public frustration and anxiety grew.

In their handling of the crisis affecting the Passport Agency, the Government have demonstrated that they are both indolent and incompetent, and they have shamefully neglected their duty to provide the British people with the decent public service to which they are entitled and which, until recently, they enjoyed. It is for those reasons that I invite my right hon. and hon. Friends to support the motion tonight.

6.45 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Mike O'Brien): I begin by extending a welcome to the hon. Member for Aylesbury (Mr. Lidington) on his first sojourn on the Opposition Front Bench. I wish to chide him gently for not being able to justify an allegation that he made, but it was his first time and he put in a confident performance.

Let us deal with what is a very serious issue for our constituents. I am concerned about the backlogs in the Passport Agency. They are unacceptable, and I am sorry that this has happened. The Government told the Passport Agency to sort this out and to get people off on their holidays. Intake is now falling, and, in due course, that will reduce delays, together with the package of measures that we have announced, including the recruitment of 400 more staff. We are mounting a high-profile media campaign to inform people of how to get their passports and what action to take.

Mr. Gerald Howarth (Aldershot): The Minister has made great play of his reassurances to the public that the recruitment of another 100 employees will make the difference. Will those 100 employees go straight to work tomorrow, or will they require to be trained, as there are security implications in terms of granting passports? If they are to be trained, will not the very people who, at the moment, are dealing with the backlog have to train them?

Mr. O'Brien: That is a sensible and reasonable question. The staff at the moment are working enormously long hours to try to ensure that people get on holiday. We have brought in 300 new full-time staff, who are in place. Some are in the process of being trained, while some have been trained.

We became aware that the situation was developing in late March, and I asked for a recovery plan from the chief executive of the Passport Agency, w[illegible]ovided one,

[Mr. O'Brien]

together with his view that 300 extra staff were needed. With the Home Secretary's permission, I promptly authorised the recruitment of those staff. They have been recruited in recent months, and most are now in place. I have had a further meeting with the chief executive, and agreed the recruitment of a further 100 members of staff. Some of those will be able to work immediately because they will be doing tasks that do not require training. Others will require training, and it will take some time before they are entirely productive, in the sense of turning out passports.

The staff at the Passport Agency, including the 300 extra staff recruited recently, deserve a lot of praise. I join the right hon. Member for Maidstone and The Weald (Miss Widdecombe), my hon. Friend the Member for Normanton (Mr. O'Brien) and others who have said that when the staff of the Passport Agency have been contacted, they have sought to do their best for any constituent with an urgent travel date. The staff are working their socks off to try to get people off on holiday, and they are now hitting their 99.99 per cent. target. I hope that they can continue to do that for the next few weeks.

We know that demand is starting to come down and we believe that the situation will come under full control, and that we will be able to ensure that people get off on their holidays. It is not the fault of ordinary workers that computer problems have arisen, and they do not deserve criticism. I wish to join the right hon. Member for Maidstone and The Weald and others in praising those who have worked so hard.

Mr. Oliver Heald (North-East Hertfordshire): Did not the Minister realise earlier this year that the figures were mounting and that there was bound to be a crisis in the summer? Whose fault is it?

Mr. O'Brien: The hon. Gentleman cannot have been here for the whole debate. It has already been made clear that in the early part of the year the figures were not mounting as he suggests. They started to increase substantially in March, and at that point I called in the chief executive and said that we should take prompt action and recruit staff. We are taking other steps, including strengthening the management team to help David Gatenby, the chief executive, to ensure that we deliver in the current difficult circumstances.

We are deferring part of the roll-out of the computer programme until we can be sure that it will not cause further delays. We are extending passports free of charge for another two years, because that is quicker and gets people off on their holidays. The new chief executive will review the future of the agency in October, as his first task, to ensure that the problems never arise again.

I will visit the various parts of the agency to ensure that everything is being done that should be done to ensure that our constituents get the passports that they deserve. We aim to get the wait down to 10 days by the end of September.

Mr. Tyrie: The Minister has kindly sent us secret fax numbers to allow us to accelerate the process of getting passports for our constituents. But is not that creating two categories of applicants: those who go to their Member of Parliament and accelerate their applications, and the rest? Is it not a disgrace that those who apply in the normal way are thus put even further back in the queue?

Mr. O'Brien: The hon. Gentleman is close to denigrating the role that he plays as a representative of his constituents. Does he hold them so cheap that he believes that when they come to him he should be able to do nothing? *[Interruption.]* When my constituents come to me, they expect me to be able to do something to try to resolve their problems. The hon. Gentleman may want to be impotent in the face of problems; I do not. *[Interruption.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The many thousands of people outside who are affected by this matter might expect this debate to be conducted with due solemnity. The Minister should be heard.

Mr. O'Brien: Thank you, Mr. Deputy Speaker.

Mr. Patrick McLoughlin (West Derbyshire) *rose—*

Mr. O'Brien: Will the hon. Gentleman sit down until I have dealt with the point made by the hon. Member for Chichester (Mr. Tyrie), who has asked whether I should listen to the representations of Members of Parliament? Many Conservative Members will know that I do that. We must also ensure, however, that all our constituents with urgent travel dates get passports, regardless of whether they go to their Member of Parliament. That is not the issue. If hon. Members who have a representative capacity want to contact the Passport Agency, they should be able to do so. If they want to talk to me, they should be able to do so. That is how it has been since I became a Minister.

Mr. McLoughlin: The Minister says that he wants to treat everyone the same. Why did he feel it necessary to change the number when some colleagues, as he said in his letter, had let the public know the direct number that we were entitled to use?

Mr. O'Brien: Some hon. Members asked me whether they could fax information about their constituents to the agency. It was a perfectly reasonable request, so I gave them a number. Somebody put it out on the radio, which resulted in the faxes not getting through; no Member of Parliament was able to get a fax through, so hon. Members asked me whether they could have another fax number. I was trying to help, but obviously Conservative Members feel that Ministers should not try to be helpful to them and their constituents. That is not how I conduct myself as a Minister: I continue to try to help.

Mr. Eric Martlew (Carlisle): On the so-called secret numbers, I remember how, a few years ago, when there was a strike at the Liverpool office, the then Government gave Members of Parliament private numbers so that they could represent their constituents. Is it not hypocrisy for Conservative Members to complain now?

Mr. O'Brien: Absolutely.

Several hon. Members *rose—*

Mr. O'Brien: I have given way enough, and I must make some progress.

Experience shows that Departments are having problems with computerisation—it also happens in the private sector—but computerised passports are more secure, with a digitalised image and signature; the date can be scanned, and automated security checks can reduce fraud and improve efficiency. The 1996 review concluded that the changes were necessary. The Minister then responsible agreed and set in place the canvassing of possible private sector partners.

We accept responsibility for having approved those plans in July 1997. The roll-out at Liverpool was on 5 October 1998, and at Newport in mid-November. Siemens was the main contractor. The system was delivered to tight deadlines, including the refurbishment of buildings and the design and introduction of the new passport. There are many lessons to be learned, and we are in the process of evaluating them and ensuring that the mistakes are not made again.

The hon. Member for Eastbourne (Mr. Waterson) asked whether I was lucky. The immigration brief is one of the most difficult, so perhaps the die was cast at the beginning, but my task is to modernise and computerise IND and the Passport Agency. Computerisation has caused problems in the private sector too, but once the teething problems are sorted out, computers prove invaluable.

When the Conservatives introduced computers in 1989, there were serious teething problems, with massive backlogs, but soon production increased dramatically. That is what I expect to happen now. Modernisation is never easy but it brings benefits in the end. The teething problems need to be sorted out and I am prepared to see that through and ensure that we deliver.

I will take no lessons in this task from a Front-Bench team led by the right hon. Member for Maidstone and The Weald. She criticises us for incompetence. That is rich from her. She was the prisons Minister when 800 criminals were released early by accident—not over the walls but out of the doors—and it was she who, to ensure that women prisoners who were about to give birth did not escape, chained them to the delivery table. Once the baby was born—

Miss Widdecombe: On a point of order, Mr. Deputy Speaker. It is a point of fact, as the Minister well knows—

Mr. Deputy Speaker: Order. The right hon. Lady cannot raise a point of debate on a point of order.

Mr. O'Brien: If she cannot take it, she should not dish it out.

Miss Widdecombe: On a point of order, Mr. Deputy Speaker—a point of order for the Chair. Is it in order for Ministers to make statements to the House that they know not to be accurate?

Mr. Deputy Speaker: That is entirely a matter for debate.

Mr. O'Brien: What about the Child Support Agency, which the right hon. Lady created? Now she wanders up and down the country stirring up misery about people's holidays. We want to get people off on holiday; she wants to tell them that we will spoil their holiday. I want to praise the staff for working their socks off to get people off on holiday. The Passport Agency had to computerise because of passport forgery. We implemented proposals that the right hon. Lady made as a Minister. We take responsibility for them and do not seek to duck them, as the previous Government sought to duck a whole series of decisions.

We introduced a package of measures involving more staff and a publicity campaign to ensure that people know what to do to get their passports, extending the passport for two years so that people can get away more quickly, and paying compensation to those who miss their holidays. We will get people off on their holidays with a more secure passport that is less susceptible to fraud.

Staff at the Passport Agency are working enormously long hours to ensure that this happens. Their spirit of commitment is a credit to the public sector. There have been difficulties in modernising the agency, but it needs to be done. We will work our way through the problems and resolve them. We are determined to deliver a system that works. The Conservatives may carp and criticise but their record of incompetence was far worse than anything that we could deliver. We want to ensure that we deliver; and we will.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 165, Noes 351.

Division No. 220] **[7 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Baker, Norman
Beggs, Roy
Beith, Rt Hon A J
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brake, Tom
Brazier, Julian
Breed, Colin
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burnett, John
Burns, Simon
Burstow, Paul
Butterfill, John
Cable, Dr Vincent
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cotter, Brian
Cran, James
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Forsythe, Clifford
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fraser, Christopher
Gale, Roger
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Hawkins, Nick
Heald, Oliver
Heseltine, Rt Hon Michael
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*

Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith,
Rt Hon Sir Geoffrey
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Luff, Peter
MacGregor, Rt Hon John
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Maples, John
Mawhinney, Rt Hon Sir Brian
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ross, William *(E Lond'y)*
Russell, Bob *(Colchester)*
St Aubyn, Nick
Senders, Adrian
Sayeed, Jonathan
Shepherd, Richard
Simpson, Keith *(Mid–Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Smyth, Rev Martin *(Belfast S)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Tonge, Dr Jenny
Townend, John
Tredinnick, David
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Waterson, Nigel
Webb, Steve
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Willis, Phil
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. Stephen Day and
Mrs. Jacqui Lait.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Banks, Tony
Barnes, Harry
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Bell, Martin *(Tatton)*
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Benton, Joe
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Gordon
(Dunfermline E)
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Rt Hon Stephen
Cabom, Rt Hon Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda
(Edinburgh Pentlands)
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Rt Hon Dr Jack
(Copeland)
Cunningham, Jim *(Cov'try S)*
Curtis–Thomas, Mrs Claire
Dalyell, Tam
Darling, Rt Hon Alistair
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Galloway, George
Gapes, Mike
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Healey, John
Henderson, Doug *(Newcastle N)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Hood, Jimmy
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie
(Welwyn Hatfield)
Jones, Barry *(Alyn & Deeside)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny
(Wolverh'ton SW)
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kemp, Fraser
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Ms Oona *(Bethnal Green)*
Kingham, Ms Tess
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris

McCartney, Rt Hon Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mallaber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Milburn, Rt Hon Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Radice, Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Rooker, Jeff
Rooney, Terry
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple–Morris, Peter
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Mr. David Clelland and Jane Kennedy.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House acknowledges the difficult operational situation that the Passport Agency is facing and greatly regrets the inconvenience caused to the public; notes the measures that the Agency is taking to remedy the situation including the deployment of 300 additional staff, the streamlining of processes to boost productivity whilst maintaining security and the willingness of Agency staff to work seven days a week to help clear the arrears; further notes that in spite of this difficult position the Agency is meeting 99.99 per cent. of travel dates and will continue to do so throughout the summer and beyond; and agrees that it is right to introduce the policy of separate passports for children.

Planning and Transport Congestion

Mr. Deputy Speaker (Sir Alan Haselhurst): Madam Speaker has selected the amendment in the name of the Prime Minister.

7.15 pm

Mr. John Redwood (Wokingham): I beg to move,

That this House condemns the Government's contradictory signals on transport and planning policies; requests the Secretary of State for the Environment, Transport and the Regions to cancel the M4 bus lane, and find a way of reopening the Circle Line and keeping other tube lines open; notes that the Government has no policies to increase road or rail capacity in line with traffic growth forecasts; is appalled that motorists are paying more and more tax under Labour to sit in ever worse traffic jams; and urges the Government to revitalise town centres and to follow transport and planning policies that can get Britain moving again.

I have declared my interests in the Register of Members' Interests, and I do not speak on their behalf in this debate. However, I have some further interests to declare. I am a driver; I am a train passenger; I am a tube traveller, if there are trains for me to take; I am, from time to time, a pedestrian. I also own two Jaguars. I believe that the Secretary of State for the Environment, Transport and the Regions also uses two Jaguars, although I do not know whether he can claim either to own or to drive them himself.

I am upset that the Deputy Prime Minister is presiding over the collapse of our transport system. It is becoming more difficult, if not impossible, to get around the country. New Labour does not travel well. The Deputy Prime Minister is none too keen on new Labour, but he proves how new and old Labour, acting together, are bringing Britain to a standstill—[HON. MEMBERS: "Rubbish."] Labour Members should treat transport with more seriousness because their constituents cannot get around. It is their constituents who find tube trains cancelled or delayed.

Do Labour Members know that the Circle line is not working under the Government, or that the Northern line is threatened with closure, or that District line trains were heavily delayed today? Do they know that the latest report on the tube shows that it has not hit its targets on punctuality, cleanliness or general service? Have they seen the almost permanent traffic jams on many sections of the road network? Do they know that too many trains arrive late, and that they often have no proper facilities on board? With this Government, it is jams today, and jams tomorrow.

Mr. Phil Hope (Corby): My constituents know that the Labour Government have given an extra £700,000 to rural buses in this financial year, and they know that the Government are providing support for rural transport.

Mr. Redwood: Many councils have suffered dreadful rate support grants and have been unable to increase expenditure. The hon. Gentleman provokes me into mentioning investment in London Regional Transport, one of the areas suffering most from the Deputy Prime Minister's deep cuts. In the final year of the Conservative Administration, investment was £1,060 million. That fell to £843 million in the first year of the Labour Government, and to £654 million in the second. In the third Labour year, it is planned to be £564 million. The Deputy Prime Minister may scowl at me, but he cannot deny the figures. It is not my fault that he cannot do a good deal with the Chancellor of the Exchequer. Investment has almost halved while he has been Deputy Prime Minister and Transport Secretary.

Mr. Andrew Miller (Ellesmere Port and Neston): Will the right hon. Gentleman address the point made by my hon. Friend the Member for Corby (Mr. Hope)? After bus deregulation, the number of bus passengers fell by a third outside London. Is my hon. Friend not right to say that the Government are absolutely right to correct the ridiculous imbalance created by the Conservative Administration?

Mr. Redwood: If the hon. Gentleman looks at the facts, he will see that privatisation has increased competition, choice and passenger numbers and that the frustration now is due to the fact that there are more passengers for buses and trains, but there is not enough money or decent management under this Government to provide the train and bus services that those passengers require.

In the past fortnight, I have been delayed when travelling from Paddington to Westminster thanks to the inadequate tube service. I faced a long delay on the Virgin train when I tried to travel by train from Manchester to Birmingham, and I waited 25 minutes for a bus in Oxford, where a park-and-ride scheme is advertised as having seven-minute services. Now, even the buses are held up by the absurd road closures in that Labour council area. In Oxford, it is not park and ride, but park, pay and wait, thanks to the Labour council and the policies that the Deputy Prime Minister is encouraging. I have spent many unhappy minutes in traffic jams on the M4, watching the entirely empty bus lane and wondering whether the Prime Minister would sweep by on that day as its only user.

This Government are out of touch—and in such a short space of time. The Deputy Prime Minister already seems to think that buses and tubes are there for others to use, or there for a photo opportunity with a Jaguar waiting to whisk him off to where he wants to go once the photo has been taken—*[Interruption.]* It is not a cheap jibe; it is true and that is why it hurts. The right hon. Gentleman will not even answer my question about how many times he has come to the office using public transport. I am sure that he uses a car because he has decided, like many others, that public transport is not good enough. I do not blame him; I just do not like the humbug. Why does he not admit that people have to use the car because there is no practical choice for many of their journeys, as Ministers illustrate? As for his right hon. Friend the Prime Minister, he thinks that bus lanes are there for him to use when he is not travelling by the Queen's flight. For the rest of us, it is not life in the fast lane, but life kept out of the bus lane.

Mr. Nigel Waterson (Eastbourne): Hear, hear!

Mr. Redwood: I thank my hon. Friend for that appreciation.

The Chancellor thinks that motorists are there to pay everyone else's bills, as he merrily goes on his way forcing the price of motoring through the roof. Now, we know that planning policy is to be relaxed to make the traffic jams worse. The Prime Minister and the Chancellor appear

to favour more out-of-town superstores. That means more cars and lorries on the roads and a further blow to town centres, where there are still bus and train stations.

The Secretary of State for the Environment, Transport and the Regions (Mr. John Prescott): What did the Conservatives do?

Mr. Redwood: The right hon. Gentleman asks what my right hon. Friends did when they were in government—they changed the planning guidance to try to restrict out-of-town developments for that very reason. Now we read clear indications that, against the wishes of the Deputy Prime Minister—I will give him that—No. 10, No. 11 and the Department of Trade and Industry have decided that they want to relax planning controls because they want to cover the south in concrete.

Mr. Bill Rammell (Harlow): There are three out-of-town shopping centres in my constituency, all of which were rejected by the local council at the time. Those rejections were all over turned and the plans approved on appeal by the Government that the right hon. Gentleman supported. Is not this tirade the grossest hypocrisy, given the chaos and mess that that Government created?

Mr. Redwood: The hon. Gentleman has obviously not read planning policy guidance 6—the guidance that made it clear that we favoured in-town development. I hope that he will get a reassurance from the Deputy Prime Minister that the right hon. Gentleman will stand by that policy, whatever his right hon. Friends say, and that, on this solitary occasion, he will win the argument. Clearly, he did not win the argument to get his travel Bill—I am glad that he did not, as it was such a bad Bill—and we now hear that he will probably not get his railway Bill next year either, because he is so bad at negotiating with the Prime Minister and with No. 11.

Dr. Alan Whitehead (Southampton, Test): Does the right hon. Gentleman accept that revised planning policy guidance 6 came in right at the end of the Conservative Government? For 15 out of the 18 years of the Conservative Government—the vast majority—there was a free-for-all in out-of-town shopping.

Mr. Redwood: I do not think that the hon. Gentleman remembers that out-of-town superstores were a phenomenon that was more concentrated in the late 1980s and early 1990s. We changed the guidance when we saw how things were going. The issue now, which the Government cannot conceal, is are they going to protect out-of-town areas—are they going to stand up for the city centres—or not? Or will we see more of what we saw today with the report about inner-city revival—it contains some quite good ideas—which has been produced after two years of this Government? What did the Deputy Prime Minister say? He said that he had not got much voice left and he did not intend to do anything about any of the recommendations for at least 12 months.

Why is the matter not more urgent? Why do the Government not want to do something to put the cities back on the map and to stem the exodus that they created from northern industrial towns and cities to the south? Does the right hon. Gentleman realise that it is Labour's wanton destruction of British industry in the north and midlands that is leading to the mass exodus to the south? Instead of laughing at it, Labour Members should stand up for their constituents, who are suffering from it.

Mr. Gordon Prentice (Pendle): I do not know how the right hon. Gentleman has the incredible brass neck to berate us for out-of-town developments. Permission for 50 per cent. of all out-of-town hypermarkets was given under his Government in the five years between 1986 and 1991. Is that not just hypocrisy with a capital H?

Mr. Redwood: Why does not the hon. Gentleman save his breath and ensure that his right hon. Friend the Deputy Prime Minister understands that he must not relax the rather good planning policies that we put in place in the 1990s? The hon. Gentleman says that he is so worried about it, but he ought to have the courage and honesty to say that his argument is with those on the Government Front Bench, who are thinking of undermining a rather good policy—which I think he supports and which the Conservatives introduced. The Deputy Prime Minister also favours building more houses on green fields throughout the south-east to accommodate the mass migration from the northern cities.

The Chancellor always taxes when he can. He now thinks that he is on to another good thing to raise some money. He has decided that he wants to tax any motorist who succeeds in getting to work by car if that motorist dares to park when he gets there. That is on top of the £150 extra in fuel duty being paid already by the average motorist as a result of the swingeing increases in fuel duty imposed by this miserable Government.

I wonder whether the Government understand that people who live in rural areas often have no choice of travel. There are many villages with no bus services, or with only a few buses a week. People have to go by car if they are going to travel. For them, new Labour's transport policy is going nowhere fast. The difference is that the Conservatives did not make it impossible for people to use cars in those rural areas—this Government are making it impossible for people to use their cars, as well as denying—*[Interruption.]*

Mr. Deputy Speaker: Order. I am sorry to interrupt the right hon. Gentleman, but there are far too many sedentary comments, and some of them are coming from those on the Government Front Bench.

Mr. Redwood: Thank you, Mr. Deputy Speaker.

Mr. Robert Key (Salisbury): Does my right hon. Friend agree that there was never a golden age for buses? It is ridiculous to suppose that buses alone are the answer for rural transport. Buses do not go where people want to go, which is between village and village; they go down arterial routes. It is missing the target for Labour Members to bay at us that buses are the only answer.

Mr. Redwood: My hon. Friend makes a powerful point from his own experience, with which I entirely agree.

Do the Government realise that some people who live in urban areas also have little choice about travel? The station car park may be full or vandalised. What are they going to do about that? The train or bus service may not

[Mr. Redwood]

take people out of town to the places that they wish to go. It may go nowhere near one's home, so one has to use the car to go to the station, if one wishes to use the train. Cross-country train services are either slow or non-existent in many parts of the country.

It is high time that Ministers woke up to those realities and stopped living in the past. It is high time that they stopped throwing jibes about Conservative Governments long ago and did something now. The British public are angry now and they are angry with this Government. They have already expressed their views on the previous Government. We have learned and listened and we have exciting new policies to get Britain on the move; this lot opposite on the Labour Benches have not a clue about how to get Britain back on the move.

Mr. Christopher Leslie (Shipley): I am interested to know about the solutions that the right hon. Gentleman is offering. Can he say what his policy would be to improve bus services?

Mr. Redwood: I am glad that Labour Members want to learn from the Opposition, because we have much better ideas than the Government. I will come to ideas about how we can improve the position later, but I can give him some immediately—scrap the M4 bus lane, make the motorway safer, and get more people along the M4 in the morning peak time. That may not be so convenient for the Prime Minister, but it would be a lot more convenient for the rest of us.

Now, there is a spat between the Deputy Prime Minister and his boss. The Prime Minister is bitterly undermining his deputy through press briefings. He is letting it be known, in the usual backhand way, that he holds him to blame for stand-still Britain. The Prime Minister is determined that, as Britain grinds to a halt, it will be his deputy who is in the political jam.

The Deputy Prime Minister is not taking all that lying down. For once, I do not blame him—in fact, I find myself becoming extremely sympathetic towards to him—*[Interruption.]* Oh yes I do. He has been more spinned against than spinning. He protests that he is being blamed for implementing the Government's manifesto policies. Surely, he whispers, the Prime Minister should take the blame for the bash-the-motorist policies, for they are the policies of the Labour party as a whole.

I think that the right hon. Gentleman is right to take that view. Why blame the steward when you can blame the man who threw the party in the first place? For once, I admire the fact that the Deputy Prime Minister is the real thing; he oozes hatred of the motorist—*[Interruption.]* Hon. Members think that I went to a public school. I did not go to a public school; I went to a direct-grant school on a free place, which was rather different. It was that or the grammar school.

At least Two-Jags John is the real thing—he oozes hatred of the motorist and revels in the higher charges and taxes on motorists. He loves to see the rest of us struggling beside the empty bus lane, running the gauntlet of the growing selection of humps, cameras, chicanes, traffic lights and coloured lines that now deck out many a main route under his description of an integrated transport policy. It is, of course, a disintegrating transport policy.

Mr. Andrew Reed (Loughborough): Is the right hon. Gentleman trying to tell us that the Conservatives are against chicanes, bumps and speed cameras, all of which are measures that save pedestrians' lives? Is he against all bus lanes? Perhaps he should consider the experience of people in Loughborough, where a bus lane was introduced only five months ago, and bus usage increased dramatically—by at least 15 per cent. Is that not an example of the sort of integrated transport system that is required? By rejecting all those matters, the right hon. Gentleman is not talking about a real integrated transport system; he is making cheap points that have no relevance to the debate on transport that we need.

Mr. Redwood: I advise the hon. Gentleman not to send those remarks to Downing street; they are definitely off-message. We do not want those impediments on through routes, red routes or main roads. There are uses for traffic-calming measures in residential areas, but not on main routes. Labour Members are getting muddled as to when, where and how such measures should be used. What they are doing is reducing the amount of available road space.

Jacqui Smith (Redditch): Will the right hon. Gentleman give way?

Mr. Redwood: Usually, I should do so, but I am short of time and many hon. Members want to speak.

Mr. Graham Allen (Vice Chamberlain of Her Majesty's Household): We are getting some good stuff out of this.

Mr. Redwood: I am glad that the hon. Gentleman thinks that there is good stuff in my remarks. He is quite right. It is much better than he will hear from the Treasury Bench.

The Deputy Prime Minister is being undermined by his boss at the very point at which he is succeeding in bringing the motorist to boiling point. That is what the Government planned; they wanted to infuriate the motorist, and they are succeeding. That is the one pledge they intend to keep. New Labour promised us joined-up government, but one branch of the Government is spending £150 million to get more cars made in Britain by subsidising Rover, while another is trying to stop any of them being driven when they have been produced and sold. That is not integration, but contradiction.

There is another spat or three over Labour's approach to big business. It looks as though "Just call me Steve"—the Secretary of State for Trade and Industry—the Chancellor and the Prime Minister want to relax planning controls to allow genetically modified food companies more scope to plant, and to permit more new superstores to be built out of town. However, we know that the Deputy Prime Minister wants to restrict all of those, reflecting his good, old-fashioned distaste for big business and all its works. We all know who will win. The deputy Prime Minister has lost many times before; doubtless he will lose again. He should now watch out for more undermining from the centre, as the Government cosy up more closely to the supermarket barons and the genetically motivated Lords.

What should the Deputy Prime Minister do? My advice to him is to go and have it out with the Prime Minister, man to man, before the briefings get any worse. He may have to queue for an appointment; he may need to remind the staff at Downing street who he is. We learn from *The Independent* that he has just been relieved of his special campaigning role. That is the first case of a Minister being sacked in order to spend more time with his Department. However, there is plenty for him to do there.

The right hon. Gentleman should start with the M4 bus lane. It must go. No one believes that it is quicker to go by car now that there are only two lanes instead of three. On that logic, all dual carriageways should be reduced to single carriageways to get rid of the jams. New Labour is not motoring. Then, he should turn to the tube. He should hold urgent talks to get the Circle line working again in busy periods, and provide bus alternatives when it has to be closed.

Several hon. Members *rose—*

Mr. Redwood: I do not have enough time to give way.

The Deputy Prime Minister should stop London Underground from closing the Northern line. He should restore the massive cuts that he has made in the investment programme for the underground. The Labour Government have slashed investment in London Transport from £1,060 million in the last year of the Conservative Government to £564 million now. Tonight, if he announces anything less than £500 million extra for the tube this year, it will still be a massive cut in the investment plans that we introduced and were successfully implementing.

The Deputy Prime Minister and his colleagues have slashed the roads budget and slashed investment on the tube. Now, to add to the misery, they want to charge us to drive into the city centre and again for parking at work. Only the Deputy Prime Minister could believe that the answer to Britain's transport problems is a poll tax on wheels. The only beneficiary of that will be the Conservative party. I am glad that he is so well inclined towards us; his policies suit our party interests well but they serve the nation so badly.

The Deputy Prime Minister now says that he wants to regenerate our city centres. Why, then, does he want to stop people driving in city centres and owning cars in cities? Does he not realise that people value the freedom brought by the car? His measures will put people off his city centres, rather than encouraging people to go to them. His Department's annual report states that new roads relieve congestion and help the regeneration of rundown areas. I agree with that. Does the Deputy Prime Minister stand by that statement? Has he read it? Does he agree with it? If he agrees with it, why does he not do something about it? Why has he cancelled so many of the roads and other transport links that could bring some relief to those rundown inner-city areas?

The right hon. Gentleman is fast becoming the biggest polluter of them all. The best way to increase pollution is to increase traffic jams; he has perfected dozens of ways of doing just that. He causes more congestion than an epidemic of summer colds. Labour is not new and it is not green. It is old and brown. It is just a rip-off. The motorist now rues the day that a Labour Government came to town.

Occasionally, a member of the Government does something that captures the public mood and sums up a feeling. No one is better at that than the Prime Minister. Only the other day, he did it again, by travelling down that bus lane on the M4. That was arrogant. It demonstrated a dangerous absurdity in Labour's transport policy. It showed how out of touch the Government now are.

Mr. Clive Efford (Eltham): Does the right hon. Gentleman accept that traffic in and around London is projected to increase by between 30 and 50 per cent. by 2030? What would be his policies to address that issue?

Mr. Redwood: First, we would privatise the tube and get massive new investment for the tube system, so that it provided a better alternative. Secondly, we would remove a great deal of clutter from the main routes so that traffic could flow better. Thirdly, by sorting out the enormity of fuel and diesel duty that has been heaped on taxi drivers, we would give them a much better deal than the hon. Gentleman's miserable Government have given them.

I promised to confine my remarks to 20 minutes; that time is now up. I read today, after a week of anti-briefing, that the Prime Minister backs his Secretary of State for the Environment, Transport and the Regions, bus lane and all. When he reads that in the papers, I suggest that the right hon. Gentleman minds his back and scraps his bus lane. Over the past few days, the message in the papers has been quite lethal for the right hon. Gentleman—the boss is not happy with his performance; England, Scotland and Wales are in revolt over the transport chaos; the nation is not happy with the Deputy Prime Minister. He should think again, or relations with No. 10 will get even worse. I urge the House to support our motion.

7.38 pm

The Secretary of State for the Environment, Transport and the Regions (Mr. John Prescott): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"deplores the previous Government's record of under-investment and disintegration in the transport network, its failure to tackle congestion as traffic rose by 75 per cent., the £1.2 billion investment backlog it left on the London Underground and its cut in road maintenance; commends the Government for producing the first Transport White Paper for 20 years, taking a far-sighted and more integrated approach than the previous administration, and linking together planning and transport policy more closely; and notes that the present Government has begun to tackle the inherited problems of under-investment, pollution and increasing traffic congestion, by a new radical integrated strategy, including an extra £1.8 billion for public transport and local transport management, winning back passengers to public transport, improving road maintenance, encouraging greater fuel efficiency, reducing pollution, and introducing the long-term policies needed to increase transport choice and improve Britain's transport system.".

I do not intend to treat the House with the contempt displayed by the right hon. Member for Wokingham (Mr. Redwood). Transport is one of the Government's most important policy areas. It is important for the environment and for the effectiveness of our industry. We must address the problems that have occurred during the past 18 years—although they were occurring before then. Congestion and transport problems have been evident for a considerable period. There has been a move from public transport to the private vehicle; we have to change that. I shall try to address that point.

[Mr. John Prescott]

The speech of the right hon. Gentleman had more to do with humour than with any substantial ideas as to how we solve the problems. I suggest that he changes his scriptwriter—the jokes were not particularly humorous. It is a bit much for him to talk about the problems of the underground. We inherited a £1.2 billion under-investment in the system, because the previous Conservative Government refused to make a proper investment in the underground. The figures cited by the right hon. Gentleman are not accurate. The previous Government planned to invest £729 million in 1997–98; that was to be cut to £350 million in 1998–99 and to £161 million in 1999–2000. That was the judgment of the last Conservative Budget—the right hon. Gentleman can check the figures easily enough. It is not surprising that the Circle line and the Northern line are facing problems as a result of that disinvestment.

The right hon. Gentleman suggested that the local authority settlement was not a good one. In fact, it was a generous settlement and it was accepted by the local authorities. By any comparison with any settlement of the past five to seven years, it was indeed generous, and it was acknowledged as such by hon. Members on both sides of the House when it was announced. The right hon. Gentleman should not believe everything that he reads in the newspaper: the endlessly repeated story about my getting on to a bus and a Jaguar following behind is totally untrue. I constantly use public transport, and I can say that I spent 10 years of my working life working in public transport in this country; the right hon. Gentleman cannot make the same claim.

Mr. Redwood: Does the right hon. Gentleman accept that the figures for the last three years of Conservative investment in London Transport are £955 million, £1,114 million and £1,060 million? This year—a year of planning and budgeting by the Labour Government—the figure is £564 million. Of course the Conservative Government's planned investment was lower: we were going to privatise and bring in private finance, so much of the investment would not count as public spending. Surely the fair contrast is between three years of £1 billion a year investment under the Conservatives and three years of miserable investment under Labour, with the figure falling to £564 million this year?

Mr. Prescott: I made it clear that the figures to which I refer are those for projected expenditure for investment in the underground over three years. The right hon. Gentleman refers to the three years prior to that, but he should acknowledge that much of the money was lost on the Jubilee line, because of the Conservative Government's incompetence in negotiating a contract that has led to an overspend of about £1 billion. That is a constant problem of the underground with which I have to deal: when I find money for investment, it is sucked away into the Jubilee line. I shall have more to say about that shortly.

It is interesting to note that the Opposition motion mentions both transport and planning.

Mr. Dale Campbell-Savours (Workington): I am sorry to interrupt my right hon. Friend, but may I leave with him a hallmark of the Tory years drawn from the London underground? It is to travel on the underground and see broken-down escalators throughout the whole system and little old ladies protesting to rail guards about having to carry their bags up stairs. That went on for years and years—it was hard to leave the House of Commons and find an underground station in which the escalators were working. That is the hallmark of the Tory years, and we remember it.

Mr. Prescott: I remember it well, too. Anyone who travels on the underground has witnessed that deterioration over the many years of Tory Administration. The Select Committees of the House of Commons have investigated and confirmed the level of disinvestment in the underground, and we are witnessing the consequences of that long period of disinvestment.

I should like to remind the House of the Labour Government's inheritance, because I did not recognise it from the description offered by the right hon. Member for Wokingham. Let me give one or two facts which can be found in the books, some of which the right hon. Gentleman has before him. Eighteen years of clear Tory misrule were dominated by deregulation and privatisation—the concept that competition could solve any problem. The consequences were that our national rail networks were broken up and privatised, worsening the service and weakening regulation. I do not suppose that anyone denies that—it is in the newspapers almost every day.

The bus industry was deregulated and the evidence of the consequences is absolutely clear: bus networks were broken up, raising fares and reducing the number of passengers by one third. Curiously, the only place where the number of bus passengers increased was the London area, where buses were not deregulated. Where regulation prevailed in the bus industry, the results were a better service and an increased number of passengers. The factors that undermined bus services were deregulation and privatisation. I have already mentioned the £1.2 billion backlog of investment in London Underground and the £400 million cut made in the last Tory Budget—again, the figures are there for all to see.

The Tories' massive £200 million cut in road maintenance expenditure resulted in roads being in their worst state since surveys began. The document containing that fact was published only recently, but it covered a period of Tory Administration. Inevitably, congestion increased, despite roughly £16 billion being spent on the roads programme. In 1979, there were 42 motor cars per kilometre of road, whereas by 1997, that figure had increased to 60 motor cars per kilometre of road—a increase of almost 50 per cent.

According to the Confederation of British Industry, the cost of congestion to the United Kingdom economy was £20 billion. Furthermore, up to 24,000 premature deaths were caused by exposure to air pollution. The Tory policies forced more people to rely on their car, and tilted the balance from public transport to the private car. Consequently, the Tories were responsible for introducing the term "gridlock" to Britain. Such congestion led to massive costs and frustration.

The House probably thinks that I am being somewhat biased, so I shall pray in aid someone else's description of the transport system:

"We have gridlock. The rush hour begins just after 6 am and is still in full flow three hours later. In many parts of the South East the traffic queue for one junction runs into the queue for the next,

and for the one beyond that. The station car park is full. The queue for Heathrow is long. The M25 regularly seizes up. Everyone tells me something should be done about it."

Absolutely right, but who made those comments? The right hon. Member for Wokingham. It is interesting that he wrote that, not last week, or last month, but in 1996, after 16 years of Tory Administration and failed transport policy. Despite all the rhetoric that we have just heard, that is what he wrote when he was in the throes of another election within his party. The right hon. Gentleman was writing of the collapse of the transport system and the collapse of Tory party policy. How else can he explain that article? It was an attack on the failure of the transport policies of the Conservative Government of which he was a member.

Mr. Redwood: I do not see it like that. My article shows that the country became a lot more prosperous under the Conservatives and that people wanted to use their cars, so we needed to make some improvements to the transport system to accommodate their wishes. That does not give the right hon. Gentleman an excuse to come along and make the problem 10 times worse, with his bus lane on the M4 and his closure of half the tube system. Instead, it means that he should follow our policy by privatising the tube system and clearing the roads.

Mr. Prescott: Let us not pretend that traffic jams started with new Labour. They were with us before, and they became considerably worse because of the policies pursued by the previous Administration.

Let me give another quote from the same article, in which the right hon. Gentleman offered ideas about how to improve the transport system. Under the headline, "How I would free drivers from gridlock", he wrote:

"The main A roads, especially the main routes into London, should be freed of any traffic management impediments"—

such as speed cameras, speed humps and so on. In other words, "deregulation of the roads". The right hon. Gentleman regards driving on the left as an affront to personal liberty, and traffic lights as an attack on human rights, but can the House imagine him on the M4 if the changes that he suggests were made? The frustration of trying to travel on such a congested deregulated road would cause him to try to return to his home planet, Vulcan, with a cry of "Beam me up, Scotty!"

No wonder he does not like to acknowledge the positive results of the M4 bus lane pilot. Whatever the rhetoric in the papers or from Opposition Members, it is clear that, in the first two weeks of the M4 bus lane pilot, 3,500 buses and taxis improved their journey times by 16 minutes, and car journeys were shortened by two minutes in the rush hour. Furthermore, there is a projected 20 per cent. cut in accidents. I believe that result to be win, win, win, but all that we hear from the right hon. Gentleman is whinge, whinge, whinge.

Let me make it clear: I am certainly not anti-car. I am for ever being called Two-Jag Prescott, so I assume that that means that I love motor vehicles—and I do. The right hon. Member for Wokingham said that he has two Jaguars; they are beautiful cars and I like them. However, that does not mean to say that I do not think there should be a better public transport policy and that we should seek to encourage people to use public transport more and their vehicles less—as each of us must do. I certainly observe that rule. I am not anti-car, but I am anti-congestion.

I assume we all share that view. The car has done much to improve the lives of people in this country and I am determined that we will do all that we can to ensure that the benefits of car ownership are not lost to future generations. However, those benefits will be lost if we allow congestion to grow at its current rate. There will be 6 million more cars on the roads in 20 years if we do not effect some kind of change. Try to consider how much road space will be necessary to accommodate 6 million more cars. We cannot build our way out of the problem—just ask Lord Parkinson who, as Secretary of State, proposed 14 new roads for London. Londoners soon made it absolutely clear what they thought about that road programme.

We cannot build our way out of the problem—and that is not only my conclusion but that of the previous Administration in its last transport Green Paper. The Conservatives advocated moves to better public transport systems and the shadow transport spokesman said that he agreed with that policy. The previous Government came to that conclusion late in the day—after 17 years in government, they decided that they had got it wrong. The Opposition transport spokesman admitted that today, when he said:

"Mistakes have been made; we came quite late to this whole issue."

He is probably right about that, but we suffered a great deal as a result of the Conservatives' policy mistakes.

The worst thing for motorists would be to follow the same route as the Tories—the right hon. Member for Wokingham seemed to advocate that course of action in his speech—and surrender to congestion. That would be bad for the economy, bad for the environment and bad for the motorists—just ask them. Doing nothing is not an option; we must make changes if we are to have any influence over congestion.

Mr. Efford: Does my right hon. Friend agree that those who claim that the bus lane on the M4 is the cause of congestion are implying that there have never been any problems on that motorway? I have worked in London's transport system and I can vouch for the fact that there were enormous problems. Does my right hon. Friend agree also that traffic jams on the M4 are a sign of things to come if we do not do something to make public transport flow freely and shift people out of their cars and on to public transport?

Mr. Prescott: It is about offering people a better choice. Our policy aims precisely to allow people freely to make the decision to use public transport more and their cars less. It is a voluntary choice, but other European countries—which have more cars per head of population than we do—have managed to persuade their motorists to use their cars less and public transport more. People do not use public transport in this country because that system has been run down.

We believe that things can get better and that we can achieve change in Britain. We made clear in our White Paper that we want a transport system that is safe, clean, efficient and fair. We will achieve those objectives by prioritising and improving public transport; by improving traffic management and road maintenance, not by deregulating the road system; by creating a more integrated transport system and linking transport with planning and a wider range of Government policies.

[Mr. Prescott]

We cannot do that overnight—anybody who believes that we can is in cloud cuckoo land. To make those kinds of changes and to persuade people to make different decisions about how they will travel and move from A to B is not an easy task. However, it must be done. Doing nothing is not a possibility. We have to improve the situation, and that will take time.

Miss Julie Kirkbride (Bromsgrove): As the right hon. Gentleman thinks that there are difficult choices to make, I would be grateful for some clarification. I presume that he approves of the charges for workplace car parking spaces that are proposed in the west midlands. Who does he think should pay the £250 parking charge: the employee or the employers?

Mr. Prescott: That is an interesting point to which I shall turn in a minute. I remind the hon. Lady that that was the policy of the previous Government—they produced a Green Paper on the subject. At the time, the hon. Lady was writing about what was said in Parliament. If she reads that document, she will find that that was Conservative policy. One Opposition transport spokesman is saying yes and another is saying no. A transport spokesman has said from time to time, "We came late to it, but we have begun to make those changes."

We are making a start. We have made improvements in our first two years in government. We have increased resources for public transport and local transport by £1.8 billion. We have established a shadow strategic rail authority that will deliver tougher rail regulation. We will raise road maintenance spending, through an extra £600 million over three years, to nearly £3 billion a year. As a result of those policies, we have seen an increase in the number of bus passengers in England for the first time in decades. Those figures have not increased in this country, year after year and decade after decade but, now, more people are choosing to use the bus system to travel from A to B.

We have allocated £150 million to rural transport services—about which I hear a great deal. Our programme for rural bus services has produced, within 18 months, 1,500 new and improved services that people in rural areas are using and that they wanted and needed. The rural audit, which was conducted a year or so ago, made it clear that people in rural areas wanted a better public transport system. The right hon. Gentleman might not want that, but I assure him that rural constituents throughout the country are very pleased with our improvements to rural transport services.

Mr. Owen Paterson (North Shropshire): *rose—*

Mr. Prescott: I cannot give way.

The rail industry has seen a 14 per cent. increase in passengers and there has been a 12 per cent. increase in rail freight since the general election. An extra 1,000 trains have been running each day since the general election and more than 70 new freight terminals have opened. Twelve new railway stations are opening this year. We are restoring a new confidence to the public transport system in this country.

We are taking the necessary long-term decisions. We produced a transport White Paper—the first in 20 years. The previous Administration produced only a Green Paper. In view of what they did to public transport, one would have thought they might have had further thoughts on the subject. The White Paper made 81 recommendations, 70 of which have already been implemented. Ten recommendations require legislation and six are enshrined in legislation that is either before the House or is about to come before us. There has been tremendous implementation of the transport White Paper.

It is a radical document that addresses the problems of transport and the environment; congestion and pollution. Measures include providing powers for local authorities to use congestion charging and workplace parking levies. They are part of the toolbox of measures for dealing with transport problems. That is the most targeted way of tackling congestion. It is also the view of the previous Administration—although that seems to be contested. Their transport Green Paper, produced by the right hon. Member for North-West Hampshire (Sir G. Young), stated:

"The Government will therefore discuss with the local authority associations how best to take matters forward on these topics and with a presumption in favour of introducing legislation in due course to enable congestion charging to be implemented".

That was the Conservative party's policy when it left office. I do not know whether that remains Tory policy—perhaps we will be told in the winding-up speech.

We did something else: we endorsed the principle of hypothecation.

Mr. Bernard Jenkin (North Essex): Meaninglessly.

Mr. Prescott: The hon. Gentleman says that, yet all moneys raised as a result will go directly to financing the public transport system. Will the hon. Gentleman confirm whether the Conservatives endorse hypothecation as a way of financing public transport? The right hon. Gentleman talked about the poll tax. As I understand it, he was in charge of the policy unit that devised the poll tax under Mrs. Thatcher. Perhaps it remains fresh in his mind: another disastrous experiment in local government financing. The right hon. Gentleman's public transport ideas would be as bad as those of the previous Tory Administration.

This Government believe in strong public-private partnerships, in which the risk is carried by the private sector. In recent years, a great deal of my time has been spent trying to rescue the incompetent deals done by the Tories. We salvaged the channel tunnel rail link, which was on the brink of collapse, refusing to meet the extra demands for £1 billion. *[Interruption.]* The hon. Member for Tiverton and Honiton (Mrs. Browning) might laugh, but it was a stupid beggar on her side of the House who agreed to that contract. The company then came to me and asked me for another £1 billion. The company in charge of the Jubilee line is now doing the same thing.

I was able to renegotiate the channel tunnel rail link contract, and about 10 per cent. of that project has now been completed, on budget and on time. If the project's costs overrun, the company pays them and, if it makes a profit, the taxpayer gets a share. That is a fundamental difference in the way in which we deal with public-private partnerships. That will govern our approach to future

developments, particularly on the London Underground. The Jubilee line is a classic example of the projects to which I have referred. The contract was not well negotiated, and contractors were able to get a considerable sum from the taxpayer because we had to meet obligations. That was due purely to the incompetence of the previous Government.

In conclusion, I shall deal with out-of-town shopping. I did not intend to mention this matter, but the right hon. Member for Wokingham mentioned it. It is a bit much for members of the previous Administration to talk about transport and planning, when one of the greatest effects on congestion and the demands placed on our motorways was the growth in out-of-town shopping.

In 1979, there were 150 out-of-town shopping centres and, by 1997, there were nearly 1,000. The Conservatives opened the doors for those centres; they let rip. Now, we have demands for 16 lanes and traffic lights to deal with the traffic on the motorways leading to the big shopping centres in places such as Sheffield. We do not believe in allowing such development. It has been disastrous, as the Minister for the Regions, Regeneration and Planning made clear, on behalf of the Prime Minister, only last week. It is only the press who prattle on and try to suggest that such changes should be made.

If the Opposition are having difficulty in figuring out whether the Asda deal will have an effect on transport policy, perhaps they should ask the Conservative Member who is Asda's director. He could tell them the answer because he sold the company to the Americans.

This is a typical example of an Opposition debate because it flies in the face of the evidence, ignores all that the Tories did in their 18 years in power and offers us no solution to transport problems. There is an awful lot of political rhetoric and very little substance. The Opposition made a tactical error in choosing to link planning and transport in a debate, because we are linking planning and transport policy as never before. It was right that we brought together environment and transport in one Department because that was a major step towards the integrated decision making that is needed. As I have said, the Tory record on planning was disastrous.

This debate demonstrates that the Tories want to build more roads, but they want to save the countryside. They oppose congestion, but in government they failed to tackle it. They want good public transport, but in government they dismantled the rail and bus networks. Most of them want to tackle climate change, but they reject the means to do so.

The Government recognise the scale of the problem that we inherited. The consultation on our White Paper reveals that there is now a consensus for radical change in transport policy. For far too long, public transport has been treated as shabby and second class. We want, and intend to deliver, a better-quality integrated transport system to offer more choice and achieve a better balance between public transport and car dependence. That will be better for the economy and quality of life, and it will offer better social justice.

8.4 pm

Mr. Stephen Day (Cheadle): I enjoyed the Deputy Prime Minister's speech. I find it amusing that he criticised my right hon. Friend the Member for Wokingham (Mr. Redwood) for the quality of his jokes. All I can say is that when my right hon. Friend makes the House laugh, it is usually intentional, which is not the case when the Deputy Prime Minister gets to his feet. I find his comments amazing after his recent embarrassing performance at the Dispatch Box.

I want to address my comments to three main areas of transport policy and connected planning policy. The first is the west coast main line. I speak as joint chairman of the all-party west coast main line group, and I should like to pay tribute to the group, particularly the work of my co-chairman, the hon. Member for Carlisle (Mr. Martlew). The west coast main line is one of the most important transport features for my area and probably for the area extending up to the west of Scotland.

I declare an interest in this matter which is listed in the Register of Members' Interests. Some time ago, both chairmen of the all-party group were guests of Virgin Trains. We went to see the new tilting train mechanisms and designs that have been produced in Milan, which will eventually be built in Birmingham and Preston.

The second issue that I want to address is the Manchester airport eastern link road, which I raised only last week in the House. I shall continue to raise that matter with Ministers until they have the common sense to finish a motorway that has already been started and not to cancel the rest of the project. The third issue is the impact on the area around my constituency resulting from the Government's decision to approve the application for a second runway at Manchester airport.

I draw hon. Members' attention to the fact that there has been an exhibition about the west coast main line in the Upper Waiting Hall today. The exhibition was sponsored by Railtrack and Virgin Trains, and a Railtrack press release refers to a new £35 million contract for work to be done on the west coast main line. Phase 1 is under way, and phase 2 is the subject of the press release. The project means that by 2002 there will be new trains on that line travelling at 125 mph, and by 2005 they should be travelling at 140 mph. That will greatly improve travel times to Euston from Manchester and other places along the line.

I have always approached the subject from a non-party political point of view, as has the all-party group. Having listened to the Deputy Prime Minister's comments, I will not be surprised if, when success is eventually achieved, the Government tell us that it is all their doing. I do not doubt that the investment on the west coast main line is long overdue, but the truth is that it is coming about for the simple, practical reason that the railways were privatised. It would never have happened otherwise.

Mr. Prescott: Under any Government?

Mr. Day: Under any Government. The Deputy Prime Minister knows full well—better, perhaps, than anyone else in the Government—that however much he, personally, may be committed to expenditure, the Treasury decides that the money is not available. The dead hand of the Treasury stopped investment in the British Rail network for years. That investment is now coming about because of privatisation.

Mr. Miller: I appreciate the hon. Gentleman's comments about my hon. Friend the Member for Carlisle (Mr. Martlew). However, if the hon. Gentleman believes

[Mr. Miller]

that a policy introduced by the previous Administration will deliver to the west coast main line the results that he saw in Milan, will he be voting for our amendment, rather than the original motion, which says that there are

"no policies to increase . . . rail capacity"?

Mr. Day: The policy currently being implemented is our policy. This Government have simply continued our policies and run the rail network that the previous Government created. This Government have no initiatives or vision about how to deal with the rail network. There are improvements now only because the Government have not reversed the policy of privatisation. Thank God that they have not, because private investment is being made in the west coast main line, and its success is vital.

The west coast main line is the busiest route not just in the United Kingdom but in Europe, so it is essential that it is modernised to the extent announced. With investment from Railtrack, Virgin Trains and Angel Trains, which is buying the lease for the trains from the Fiat-Alstom consortium—all major private companies—the long overdue improvements in the service on the line, which my constituents and those from Euston to the west of Glasgow have a right to expect, will ultimately be made.

Mr. Norman Baker (Lewes): Of course I acknowledge the need to modernise the west coast main line, but does the hon. Gentleman accept that such modernisation has been rather over-hyped by Railtrack and that it is dressing up the renewal of basic infrastructure as new investment? In fact, on some stretches of the line, the maximum speed limit will not increase.

Mr. Day: If the hon. Gentleman knows anything about the west coast main line he will know that many of the current delays are caused by the use of old rolling stock, which Virgin is still running. Many of the trains are ex-British Rail—30 years old and some. There will be improvement with new rolling stock, which will obviously be able to travel faster, but only when the line is straightened and the signalling system is upgraded. Today's Railtrack press statement sets out clearly that the bulk of the £35 million contract will be spent on new signalling and points systems at various places on the track which cause delays and bottlenecks outside stations such as Euston.

All that is as a result of privatisation. If privatisation had not happened, we would not be seeing the improvements that, thank goodness, we are beginning to witness. There has been criticism of Virgin—I would be the first to say that much of it has been valid—but at least the company and its partners on the west coast main line project have the guts to put the money up front that will eventually bring about much needed improvements.

I accept readily that, in trying to reduce traffic congestion on motorways and roads, it is sensible to encourage people to use trains. Anybody with any common sense realises that, but we should not destroy alternative ways of solving such problems or force people out of their cars. The attitude that there are too many cars on the road, so people must be stopped from driving and travelling to out-of-town shopping centres in which people want to shop, is shared by old and new Labour. It is not surprising that the Deputy Prime Minister fronts the policy.

There is no question that the congestion difficulties that out-of-town shopping centres have undoubtedly brought about must be dealt with. But the answer for new Labour is to tell people that they cannot shop in such places. It says, "That is wrong, bad. Do as you are told. Do as I say, not as I do." That is not the answer to Britain's transport problems.

On the M6 in Staffordshire—*[Interruption.]* I want the Deputy Prime Minister to listen for a second, if that is possible. There is a minor problem but a great irritant caused by congestion on the M6 in Staffordshire as a result of necessary work—I do not dispute that—to improve lane signalling, which is being carried out by the right hon. Gentleman's Department.

There are logjams on that section of the motorway when the road is busy; traffic often comes to a halt in any case. With two-mile gaps between seven or eight sets of roadworks, there are 50-mile an hour speed limit signs. Therefore, even when the road is reasonably empty, traffic slows. It is not as though the work is going on throughout Staffordshire. One drives for miles and miles at a restricted speed limit, and what does one see? One sees three men and a digger at the side of the road. That infuriates drivers. I want the Deputy Prime Minister to ask his Department whether it is necessary to restrict the speed limit on almost all the M6 throughout Staffordshire—these works are to continue until March next year.

Mr. Gordon Prentice: Next point.

Mr. Day: Many of the hon. Gentleman's constituents drive on that stretch of road every day. I hope that they take note of his comments. He obviously has no interest in the concerns expressed by his constituents who use that stretch of motorway.

My constituents are being failed dramatically by the Department of the Environment, Transport and the Regions and the Government on a number of issues. The cancelled bypass around Manchester airport is only one of them. Many of my constituents live on the flight path to Manchester airport. The flight path is no great detriment to the lives of the majority of my constituents, many of whom—myself included—are proud of the airport.

In order to deal with congestion in the sky, the airport authorities have for many years asked for the power to fine aircraft that stray from the flight path over my densely populated constituency. Despite the fact that the Government agree with that principle, and that about 18 months before the election the previous Government agreed also, the airport authorities are still waiting for the regulations to be brought before the House. I simply appeal to the Deputy Prime Minister to do something for my constituency. One thing would be to enact what the Government claim they support and allow airports the power to fine airlines who stray from flight paths. Will he seriously consider that?

Mr. Prescott: I have not found the best way of doing it.

Mr. Day: Such sedentary comments give me the impression that the Deputy Prime Minister is very flippant about the matter. I hope that he takes it seriously because, for many of my constituents, it is a major issue. I simply

ask him to ensure that his Department finds time to put the regulations before the House and thereby ensure that airports have the powers that they want. If he asks the Manchester airport authorities what powers are required, he will find out—because they support every word that I am saying.

Up and down the country, towns and villages are awaiting one development to rid their communities of pollution: bypasses. This Deputy Prime Minister and this Government have cancelled their one hope of being saved from pollution. Bypasses are the one way in which communities that suffer dense traffic may be relieved in the short term and for the future, yet the resolution of their problems has been taken away from under their noses. *[Interruption.]* The Deputy Prime Minister will hear about this whether he likes it or not.

The bypass to which I shall refer is a third part built. Nevertheless, the remaining two parts—the Poynton bypass and the western section of the Manchester airport eastern link road—have been cancelled. That is a joke. The proposed road has always been known as the Manchester airport eastern link road, yet the Government have cancelled the building of the part that links the road to the airport. It is unbelievable.

Mr. Prescott: It is not the only road to the airport.

Mr. Day: I would like the Deputy Prime Minister to visit my constituency. He and his Ministers have been asked on many occasions to see it for themselves so that I can prove to them that what I am saying is true. I would like to see the Deputy Prime Minister walk down Woodford road between Bramall and Woodford and see the reaction that he received. I advise him to take his Jaguar so that he can make a quick getaway. I would like to see him walk along Finney way in Heald Green, where the missing section of the link road should be. It has no apparent chance of being built with this Government's attitude.

Mr. Jenkin: Will my hon. Friend remind his constituents that the Deputy Prime Minister found £63 million to improve the road in his own constituency?

Mr. Day: My constituents would be surprised, but I doubt whether they would be shocked by that.

I must impress on Ministers on the Treasury Bench that my constituents in Cheadle, Bramall, Heald Green and Woodford desperately want the bypass. Seven thousand signatures were collected, but not by people going round knocking on doors and presenting petitions. The petitions were simply left in local post offices, and within two months, 7,000 signatures were collected from people who wanted the bypass. Despite the fact that the previous Government had given a starting date for the completion of the bypass, the present Government cancelled it.

The story of Cheadle's missing bypass is not uncommon. The only thing that sets it apart from instances in other parts of the country is that in our case, part of the bypass already exists. That is the nonsense that my constituents will never understand.

I also do not understand why the Government do not see the logic of completing the bypass, especially as the same Government gave permission for the second runway at Manchester, which will dramatically increase the traffic flows to Manchester airport. Manchester airport admits that even though it is providing for extra rail links and other services and forms of transport to get to the airport, the majority of the increased journeys to the airport through my constituency will be by road.

The bypass must be finished. It is beyond belief that a Government who gave permission for the second runway have cancelled the road link to the airport that is meant to service it. The entire issue needs to be thought through carefully, because it affects a wider area than the Manchester airport eastern link road. It affects the Poynton area in the constituency of my hon. Friend the Member for Macclesfield (Mr. Winterton) and the constituency of the hon. Member for Hazel Grove (Mr. Stunell), because of the eastern section of the MAELR, known as the Poynton bypass, which has been cancelled, and the Hazel Grove A6(M) bypass. The three motorway projects together are supposed to link up to the M60 and provide the necessary relief for the whole of what is known as the south-east quadrant of Greater Manchester.

All that my constituents have seen as a result of the Government's green policy is their one chance of escape from pollution being taken away from them. That is the only change that they have seen. In its place is a promised study into the transport difficulties of the south-east quadrant of Greater Manchester. What a mouthful. I do not know precisely what that means, but on behalf of my constituents I shall raise one or two points with Ministers.

First, I thank the Department for including at long last—it was not the original intention—Stockport metropolitan borough council in the steering committee that is to be set up to appoint consultants for the study of the south-east quadrant of Greater Manchester.

Secondly, when the study gets under way, will it deal with the issue of the bypasses that have been cancelled, or will its aim be purely to find what the Government would call alternatives to those bypasses? I seek an assurance, as does the council in Stockport, that in the course of that study, the consultants will examine all aspects of transport policy, including the cancelled bypasses, and that the issue of roads will not be ignored.

The argument applies equally to other parts of the country. I hope that the Government's rhetoric will not be matched by their actions, and that they will not ignore the possibility of any bypass providing a solution in any area. I fear that that will happen, but I hope that the Minister will be able to reassure me.

Thirdly, as part of the study, will the Secretary of State or one of his Ministers consider coming to the area to see the difficulties that my constituents face? Since the road programme was cancelled, I have asked by letter and I have asked in the Chamber for Ministers to come and see for themselves. On no occasion have they given me a positive response.

Mr. Andrew Stunell (Hazel Grove): I thank the hon. Gentleman for giving way, and for notifying me of his intention to raise the matter. For my constituents in Hazel Grove, the road programme is vital. Does he agree that if the Minister visited the area, he would see that the conventional road network is no way able to take the

[Mr. Andrew Stunell]

additional traffic that will result from the development of the second runway, and that the Government have failed to take proper account of that?

Mr. Day: I agree. By approving the second runway, the Government recognised the importance of the north-west. They recognised the importance to the north-west of Manchester airport. In setting up the study, they recognised to some extent that there was a difficulty with transport in the so-called south-east quadrant of Greater Manchester, yet they took away one of the main solutions to that difficulty that was originally planned because the airport was expanding.

Given my constituents' expectation over 20 to 30 years that the road would be built, given that a third of it is already built, given that the previous Government set a starting date, and given that the second runway is imminent, the Government can no longer hide behind a transport study and deny my constituents the protection and the service that they have every right to expect that the Government will provide, to ensure that their environment, which the Government claim that they are seeking to protect, is protected for the future.

Mr. Gordon Prentice: We surrender!

Mr. Day: It will be a nice day for me and my constituents when the Government surrender. For many other communities throughout the country—not just in Hazel Grove, Poynton, Bramall, Woodford, Cheadle Hulme and Heald Green—the Government must formulate a coherent transport policy. If they stopped restricting travel by car, assisted drivers to get where they want, provided investment for alternatives and tried to attract drivers to alternatives, rather than forcing them to use such alternatives and bringing nothing but despair to areas such as mine, that would indeed be a happy day.

8.25 pm

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): The transport White Paper is the first major attempt for more than a generation to address seriously the problems of transport in Britain. The Select Committee on the Environment, Transport and Regional Affairs made it clear that we regarded that as a tremendous advance, and we looked in considerable detail at the aspects of transport that we thought needed not only to be highlighted but in many instances advanced.

The debate has been interesting because of Conservative Members' tremendous insistence on roads. Roads are an integral part of the transport system, but anyone in this country who talks about congestion without mentioning the alternatives to roads, the advance in hypothecation and the first attempt for well over 20 years by any Government seriously to address the problems of public transport is running away from everything that is important.

Under the leadership of my right hon. Friend the Deputy Prime Minister, we are at long last seeing a specific attempt to address a number of practical problems that have a direct impact on our economy. Transport and the economy are directly linked. That is not an accident. If we cannot move people and goods around the country, we are unable to benefit as we should. Indeed, aviation and the rail system have a direct impact on gross domestic product.

It was clear from the Select Committee's work that a number of areas should be addressed. I welcome the discussion about the Strategic Rail Authority. The sooner we get real parliamentary muscle behind the shadow Strategic Rail Authority, the sooner we shall begin to get changes. The previous Government fragmented the railway system like a cheap glass and left others to pick up the shards.

I was interested in what the hon. Member for Cheadle (Mr. Day) had to say about the west coast main line. What the hon. Gentleman did not manage to say was that Railtrack is so concerned about the signalling system that it has issued an instruction to its contractors not to touch signalling. That is for fear that the system is so old that it will accidentally cease to operate, making the signals automatically go red and causing an advancing train the problems that we may have seen in the recent accident in the Winsford area—although I am not saying that such problems were the reason for the accident.

Mr. Day: On the signalling matter that the hon. Lady raised, today's Railtrack press release says:

"Phase Two, which will enable Virgin to increase train speeds . . . and provide additional capacity for other users, requires the development of a new moving block transmission-based signalling system."

Phase 1 of the project involves £596 million to deal with the problem. Phase 2 will deal with it more specifically.

Mrs. Dunwoody: The hon. Gentleman is very sincere, but I do not have the faith in press notices that he appears to have. Let me draw to his attention the £27 billion investment announced by Railtrack recently. If he reads my report, he will see not only how we examined that figure, but how it strangely became £11 billion and then, when we broke it down, only £1.6 billion. Railtrack uses creative accounting, but we discovered that its large investment programme is a combination of money that it would have had to spend on maintenance; schemes that would need even more public money for matching; and action on pinch points which have been outstanding since Railtrack took over.

Suddenly, that £27 billion collapsed—right down to about £1.6 billion—and all those grandiose schemes disappeared into thin air. We are of course told that they will happen—if the taxpayer finds even more money; if we do not count maintenance; if Railtrack manages to use the money that we regard as absolutely essential for reinvestment in the signalling system; and if, somehow or other, Railtrack comes up with a new plan. That is not what all that will mean.

I am delighted that Railtrack is issuing notices saying that it will do fantastic things in the future, but I have the strange, old-fashioned idea that I should like it to do something in the present. Although that may sound rather unimaginative of me, Railtrack is walking away with large amounts of taxpayers' money. When it appeared before the Public Accounts Committee, there was detailed discussion of what it had spent on consultants and privatisation. It said that it had had to spend money because it needed highly specialised information, but the reality is that it is neither entrepreneurial nor efficient—

and nor, so far as one can see, is it capable of managing major schemes. If that is the case, any problems that will arise will arise not from its spending £27 billion but because we may be asking it to do something that it is not capable of achieving.

Mr. Redwood: Given the hon. Lady's comments on Railtrack, is she suspicious of that organisation's being allowed to be the only bidder—the preferred bidder—for a third of the tube? In view of her comments on its conduct, would she like to say to the Deputy Prime Minister that perhaps he should not allow that?

Mrs. Dunwoody: The nice thing about my relationship with my right hon. Friend is that I frequently say things to him that he understands without any difficulty at all. That situation has existed for at least the past 20 years and I do not expect it to change overnight.

I am suspicious of Railtrack—that will not come as a surprise to my right hon. Friend, because I have been telling him that ever since it was created—and I shall continue to be suspicious of Railtrack.

The Government of whom the right hon. Gentleman was a member created a merry-go-round of taxpayers' money, which meant that Railtrack finished up with the bulk of the cash. Of course it is one of the strongest players in the game. The fact that I do not trust Railtrack does not mean that it does not have the money. That is one of the things that worry me.

The Select Committee report suggested to the Deputy Prime Minister—who, I am sure, paid great attention to it—that one solution would be for us to say to Railtrack, "In future you will get access charges, but a large amount of the money that you collect at present will be diverted to the Strategic Rail Authority, so that Railtrack can be paid after it has invested in the schemes that it promises." I do not consider that an unrealistic attitude. I hope that the Government will seriously consider whether Railtrack has fulfilled all its promises, and whether it is doing what it said it would do or is simply walking away with an enormous profit for its shareholders on the basis of extremely inadequate management techniques.

I believe that the Deputy Prime Minister is doing such a good job that he needs to talk seriously to some of his colleagues. I do not mean just the Treasury, although, in my experience, all Governments need to speak clearly to Treasuries. The Deputy Prime Minister has succeeded in moving us towards a system of hypothecation. This is really the first time that it has been clearly understood that, if a large amount of money is raised from taxpayers in connection with transport—whether through road tolls or in the form of direct taxation—it is easy to persuade those taxpayers that an advance is being made in transport policy if they can see what is happening to their money.

Mr. Eric Pickles (Brentwood and Ongar): The hon. Lady is right to suggest that hypothecation is possibly the most exciting change in transport policy that we have seen so far. When I had the honour to serve with her on the Environment, Transport and Regional Affairs Committee, we were very careful about our drafting in regard to hypothecation.

Does the hon. Lady agree that it is regrettable that, after the Deputy Prime Minister achieved the change, an official in his Department—in connivance with a Treasury official—changed the rules slightly, allowing sums taken for hypothecation to be spread and to be spent on matters other than transport? That means that the money goes straight back into the Treasury coffers.

Mrs. Dunwoody: The Deputy Prime Minister has secured a 10-year time scale, which I think will enable the public transport system to be transformed. I wish that he had secured a longer time, but I am sure that any incoming Labour Government will be able to continue his excellent transport plans, and that, when we see the advances that are made over the next 10 years, we shall be able to plan for even more hypothecation in the future.

Mr. Jenkin: Will the hon. Lady give way?

Mrs. Dunwoody: I do not want to take too long, but I am terribly honoured that the hon. Gentleman wishes to intervene.

Mr. Jenkin: I reciprocate the sentiment. However, we remain suspicious of hypothecation. Unless it also means additionality, hypothecation means nothing. According to a written answer in *Hansard* dated 20 July 1998, there is no public expenditure provision at all for London Underground after April 2000. If that is so, does it not mean that Government grant for the public-private partnership will be replaced by the revenues from congestion taxes and parking charges? Where is the fairness in that, given that motorists are already being fleeced by the Treasury? Why should the grant be taken away as well?

Mrs. Dunwoody: I do not share this terrible worry about the motorist, for a very simple reason. If we had continued to take no action in relation to either road transport or public transport, the whole road system would have been in continual gridlock.

Mr. Redwood: The hon. Lady is changing the subject.

Mrs. Dunwoody: No. It is not possible to deal with a problem by ignoring it; that just makes it a hundred times worse. The present Government have grasped the nettle of difficult decision making. In many instances, they are telling people who use public transport but want to retain their cars, "That's fine, but you should be aware of the cost to both the environment and the quality of life for people who live in cities—and the cost to the facilities that you yourselves want."

I hope that the Deputy Prime Minister will talk to the Home Office about the whole question of police enforcement. So far, there has been no discussion of the impact of road injuries, of the need to set targets, or of the need to accept the fact that, although the number of injuries is going down, the number of serious injuries continues to rise. I hope that we will be able to say to the Home Office that now is the time to put traffic law enforcement much higher up the list. It should be part of chief constables' core duties. They should find it possible to have considerably more energy directed towards traffic law enforcement. If they are not able to do so, the Government will have to consider seriously the creation of a traffic police. If they do not, we will pay a price.

The role of the Home Office goes beyond that: it needs to look at the whole question of crime on public transport. There will undoubtedly be positive benefits from policies

[Mrs. Dunwoody]

that allow local authorities to enter into partnership with police authorities to ensure that there is better policing of public transport early in the morning and late at night. Women need to be assured that they can travel safely and comfortably to the place where they need to be.

I hope that private Members' legislation will be introduced to allow us to impound illegally operated lorries. I was sad that such a power was not in one of this year's private Members' Bills. It would save lives. It is essential. That gap in the legislation needs to be addressed.

The Strategic Rail Authority will produce enormous changes in the next five years. The operating companies will be required to work together. It is only since the Deputy Prime Minister succeeded in persuading them to do a lot more things in common that we have at last addressed the whole question of information, and of information systems that actually work.

I meant to bring along a marvellous letter that I received today from Virgin Trains, after two months: they were sorry that I had used the internet to ask for information on a train direct to Manchester and had been told that I should change at Crewe, but that was because I had tapped in the wrong information—I should have asked for trains not just in the next hour but throughout the day. Had I done so, I would apparently have got information about more than the one train. I explained to Virgin when I wrote that I knew that Crewe was the centre of the universe but that it came as a considerable surprise that it had just learned that as well.

We talk about what Virgin will do with its new tilting trains. We all want new efficient rolling stock. We want it to be built in this country. We build good engines in Crewe. It would be nice if people did not import them from elsewhere, but bought them from this country. However, no matter how good the rolling stock, if the rails are not there, it will not make any difference to the speed, efficiency or safety of the trains.

Railways have strange habits: all trains have to run on rails. Unless Railtrack is prepared to provide high-quality rails, many of our plans for an integrated railway system will be as nought. The quality of investment and of equipment and the safety of signalling equipment will be so substandard that we shall be faced with continuing problems.

For the first time in 20 years, we have a Minister who understands that transport has to be one of the most important policies that any Government espouse. All of us want changes in education and health. All of us understand that constitutional change frequently pushes out other, more domestic, measures. The reality for our constituents and everybody fighting their way on to the underground system is that, unless we get high-quality, safe public transport in place, none of the things that we want for our country in the new millennium will be possible, and we shall all suffer as a result.

8.45 pm

Mr. Norman Baker (Lewes): I welcome the comments of the hon. Member for Crewe and Nantwich (Mrs. Dunwoody). I agree with most of what she said, as I usually do on transport matters. I welcome, too, the fact that the Deputy Prime Minister and his team have not left the Chamber throughout the debate. That example might be followed by some of their Front-Bench colleagues in other Departments.

I am afraid that the Tories are in opposition mode. Their opposition is characterised by cynical opportunism and a cavalier disregard for the facts. I listened to the right hon. Member for Wokingham (Mr. Redwood) introduce the debate, but I did not like what I heard. Regardless of his portfolio, he always plays the man rather than the ball. On genetic modification he attacks Lord Sainsbury, and on transport he attacks the Deputy Prime Minister. The Government have made some mistakes on transport, and I shall come to them, but we need a mature debate rather than the personal attacks that we get from the Opposition, especially from the right hon. Member for Wokingham. He exaggerates the Government's faults to an absurd degree and stands with his hands clasped and a halo on his head pretending that year zero started on 1 May 1997. In truth, the inheritance from the previous Tory Government was lamentable.

Just in case there is any suspicion that the Conservatives could be the saviours of transport policy, let me remind the right hon. Member for Wokingham of the record of his county council in Buckinghamshire. I have chosen Buckinghamshire because it is one of the few councils that has been solidly Tory year after year. Even in the dark days, it was the one county council controlled by the Conservatives. In 1994–95 it spent £52.03 per head on road maintenance—an issue that the Conservatives are always keen to mention. In 1998–99, that was down to £33.71. In 1994–95 it was spending a total of £14.8 million on road maintenance and by 1997–98 that was down to £8.5 million. This year, the council has stopped producing the figure for its council tax leaflets so we are not sure what it is, but as I understand it, it has dropped still further. That is the gap between the rhetoric which promises that everything will be wonderful under the Conservatives and the reality when they are in control of a council. It is not a record of which to be proud.

During their 18 years in government they had a twin-track policy of private and public transport. The private element was the great car economy, which was the phrase of the Prime Minister of the day, now Baroness Thatcher. Another boast was that they had the biggest road building programme since the Romans. They are still on the same track. Their motion today criticises the Government for having

"no policies to increase road or rail capacity in line with traffic growth forecasts".

The motion moved by the Conservatives on 18 March condemned the Government for

"cutting the programme of motorway and trunk road improvements to 37 schemes, which will increase congestion and pollution which the Government say they oppose".—[*Official Report*, 18 March 1999; Vol. 327, c. 1322.]

How depressing that is.

During their 18 years, the Conservative Government made many mistakes on transport policy. They attempted to build us out of problems year after year while watching congestion get worse and worse. Increasing numbers of environmental areas and sites of special scientific interest were destroyed. The incidence of asthma increased—one in six children now has asthma. There were more and more health problems, and the Confederation of British

Industry identified £19 billion a year as being lost because of congestion. Despite all that, it was not until the end of their time in government that we had a little relief when they at last recognised that it is not possible to build our way out of a problem. The report from the Standing Advisory Committee on Trunk Road Assessment—produced by the then Department of Transport—recognised that building more roads encourages more traffic. The Conservatives finally accepted that—hooray for that.

The Tories cut their road-building programme dramatically, and cited environmental reasons for doing so. We thought that they had made many mistakes over 18 years, but at last they had recognised the fact that building more roads was not the answer. We now find out that in opposition they have unlearned that painful lesson, which took them so many years to learn. They are now back to where they were in the 1970s and 1980s. They think that if we build more and more roads, more and more bypasses, and more and more dual carriageways, then suddenly everything will be all right again. What nonsense.

Mr. Christopher Fraser (Mid-Dorset and North Poole): Perhaps the hon. Gentleman could explain the fact that his hon. Friend the Member for Newbury (Mr. Rendel) approved, assisted, co-operated with and supported the Newbury bypass.

Mr. Baker: I shall take that one head on. I did not approve of the Newbury bypass being built, and I have made that clear.

Mr. Fraser: The hon. Gentleman's hon. Friend does, though.

Mr. Baker: He does indeed. I do not approve of that bypass. It was not Liberal Democrat policy to build such a road.

Mr. Fraser: The hon. Member for Newbury is standing as leader of the hon. Gentleman's party. He may be its future leader.

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. I have to instruct the hon. Member for Mid-Dorset and North Poole (Mr. Fraser) to be quiet.

Mr. Baker: The hon. Gentleman has asked me a direct question, and I shall give him a direct and honest answer. I thought that it was a mistake to build that road, and I did not support it. It was not Liberal Democrat policy at the time, but it was supported by the local Liberal Democrat Member of Parliament.

When the shadow Transport Minister sums up, will he tell us exactly what his party's roads policy is? Is it, as the Conservative motion implies—they criticise the Government for not doing so—to increase road capacity in line with traffic growth forecasts? Are we back to meeting projected demand? Are we back to road-building programmes that meet the projected increase of 142 per cent., which is the 1989 figure? Are we back to covering the countryside in more and more concrete? If that is not Conservative policy, what is? What is the Conservatives' road-building programme? They criticise the Government for knocking their programme down to 37 schemes, but how many roads are in the Conservative party's programme? Let us hear those facts from the Conservatives. If they are not prepared to say what their policy is, they should not criticise the Government in such a cavalier way.

The public transport strand of Conservative policy in the past 18 years was a total disaster. Rail fares increased by 74.8 per cent. above inflation between 1974 and 1996, whereas road prices and the costs of driving decreased over that period by 3.5 per cent. We should remember that when we hear about the motorist being clobbered. It is the rail passenger who has been clobbered under the Tories. We must keep that in perspective when we hear the Conservatives argue for changes to fuel duty.

While road users were given every encouragement and were told that they were wonderful and were given a road-building programme, rail users were given a second-class service, with clapped-out rolling stock, signals that did not work and no encouragement for rail investment. The rail network represented everything that the Conservative Government hated, especially the then Prime Minister, Baroness Thatcher. It was fixed, regulated and in the public sector. She did not like it, and people who had to travel by rail did so only because there was no alternative. That is not a successful transport policy.

After 1986, with the calamity of bus deregulation, there was a catastrophic drop in the number of people using buses.

Mr. Redwood: Will the hon. Gentleman move on from his biased history lesson and talk about the future? Does the Liberal party support the M4 bus lane? Would it like to see more bus lanes on other motorways?

Mr. Baker: I remind the Front-Bench spokesman that my party is the Liberal Democrat party and not the Liberal party. Yes, of course we support bus lanes. If they are proved to work, we will support them. As the Deputy Prime Minister said, the figures from the Department of the Environment, Transport and the Regions suggest that, during that experiment, travelling times were reduced not just for buses and taxis, but for private motor vehicles. Each bus lane must be judged on its merits, but according to the figures that I assume are accurate—they have not been spun—that particular bus lane is working. If so, I do not understand why the Conservatives oppose it, other than for purely dogmatic reasons—but that would not surprise me in the least.

During the Conservative years, the poor and the disadvantaged suffered: the third of the population with no access to a car were expected to pay more than car users. While people were getting company car benefits to glide into central London and other city centres in their cars, other people had to pay the so-called market rate for second-rate buses and trains—and they had to stand all the way. Where was the comfort for them?

I could not believe that I heard the right hon. Member for Wokingham describe safety measures and road traffic calming devices as "impediments". They are not there to save lives, or to help pedestrians and cyclists. They get in the way—they get in the way of people, such as the right hon. Gentleman, who want to drive very fast down roads

[Mr. Baker]

so that people on foot must get out of the way. *[Interruption.]* The record tomorrow morning will show that the word "impediment" was used.

Mr. Redwood: The hon. Gentleman should listen more carefully. There are impediments such as the M4 bus lane, which is thoroughly unsafe as it is in the fast lane of the motorway and adjacent to the new fast lane. Of course we support safety improvements on other roads, where they are needed.

Mr. Baker: The record will show that the word "impediment" was used in response to a query on chicanes and traffic calming.

Conservative policy is this: car drivers should be entitled and encouraged to drive where they like—as uninhibited and as cheaply as possible—and the environment must pay. The public transport users must pay. The pedestrians and cyclists must pay. The poor and disadvantaged must pay. Those with health problems must pay. Nothing must stop the car driver, or the great car economy. What kind of a balanced transport policy is that?

Mr. Paterson: In a rural area such as mine, the majority of people drive to work in a car. According to Shropshire county council, the figure is 67 per cent. What does the Liberal party say to those car users who, thanks to Government policies supported by the hon. Gentleman's party, will now be paying, on average, £900 per year in extra tax?

Mr. Baker: First, I have no idea what the Liberal party would say, as it is a different party from mine. The Liberal Democrats recognise—I represent a rural area myself—that there are journeys in rural areas which must be made by private car where there is no realistic alternative. That is why we have a policy on vehicle excise duty under which someone driving a car of under 1600 cc for up to 24,000 miles a year will be better off, while someone with a gas guzzler will be worse off. The answer is that one chooses one's car carefully and one makes one's journeys carefully, and one will not suffer if one lives in a rural area.

We want to support the Government in what they are doing, as we believe that their heart is in the right place. The ideas coming from the Department of the Environment, Transport and the Regions are the right ideas, and I do not doubt the commitment of Ministers to improving transport policies and practice in this country. However, they sometimes make it difficult for themselves.

The White Paper is full of good ideas, but they are not being implemented as quickly or as thoroughly as we would like. As the hon. Member for Crewe and Nantwich said, we need, above all, time for legislation and time to introduce changes. There is only so much that can be done by cajoling, shouting and encouraging. We need legislation to bring about changes, and so far that has not been proposed.

There are certain measures in the Greater London Authority Bill—affecting London only, of course—but other measures have not been proposed to improve transport nationally. We are two years through this Parliament—probably halfway through—and we are still awaiting legislation on this priority subject. I am sure that the Deputy Prime Minister has been pushing for legislation, but the fact is that he has not got it.

Mr. Prescott: What does the hon. Gentleman want?

Mr. Baker: I will come to that. Either the Prime Minister and the Cabinet are getting cold feet about the radical nature of the White Paper, or the Deputy Prime Minister has been outmanoeuvred by his colleagues who have other Bills that they want to propose, and he has not won the battle in Cabinet.

We want a clear statement of how the Government are to achieve the road traffic reductions implied in previous legislation, and those agreed to in the Road Traffic Reduction (National Targets) Act 1998. Early-day motion 323, signed by 319 Members of Parliament, calls for real reductions in road traffic—not reductions in road traffic growth, a phrase that is now making its appearance. Of those 319, 236 are Labour Members. So the majority of the parliamentary Labour party have signed up to real reductions in road traffic, along with all Liberal Democrat Members, with the exception of the party leader, who by convention is not supposed to sign early-day motions. Only 19 Tory Members have signed, which shows that they are committed not to road traffic reduction but to road traffic increase.

The Deputy Prime Minister said:

"I agree to that commitment"—

to reduce overall road traffic and not only road traffic growth—

"judge me on my performance in five years."—[*Official Report*, 20 October 1998; Vol. 317, c. 1071.]

That was a brave statement and I am pleased that he made it. His ministerial colleague, the hon. Member for Hampstead and Highgate (Ms Jackson), said:

"our commitment to achieving not only a reduction in road traffic, but an absolute reduction, stands firm."—[*Official Report*, 18 March 1999; Vol. 327, c. 1365.]

However, in a parliamentary answer to me in January she said that it is estimated that, with the transport White Paper policies in place—which they are not yet—traffic will grow by 37 per cent. by 2010 relative to 1990 vehicle kilometres. That is traffic growth of 25 per cent. over the next 10 years.

The Government need to act more quickly and with more radical policies to bring about the reductions. There is no doubt that they inherited a terrible situation, with problems of infrastructure, especially in the rail network; of pollution, which causes 24,000 premature deaths a year and has led to one in six children having asthma; and of congestion. Nobody expects them to turn the oil tanker round overnight, but my constituents are chafing at the bit. We know that we must have the stick of restrictions or extra charges but we want the carrot of improvements in public transport, which are not happening as quickly as they should.

The Government should be brave and legislate as soon as possible, in the next Session if not before, for a Strategic Rail Authority. They will by and large have our support for that. We want more real investment in rail, not the Railtrack version, dressing up maintenance as investment. We want rail lines to be reopened. I can give

the Deputy Prime Minister a list of those that could be reopened. We want freight-only lines to be used for passengers. We want new stations to be slotted in where they make commercial sense.

We want the sale of British Rail land to stop. I thought that we had won that one—I pushed the Minister interminably for it—but the answer to a parliamentary question last week on what land had been sold since the moratorium ran to two pages. The moratorium is about as effective as the one on genetically modified crops.

We need to consider more creative ways of using the tax system to encourage a better approach from drivers. The Budget made a start, and the graded tax disc was welcome, but it dealt only with cars under 1000 cc, which amount to less than 10 per cent. The Government have to take that welcome principle and extend it.

Mr. Paterson: Referring to rural car users, I cited the figure of £900 a year as the extra cost, but only £150 of that is the VED element; £600 is extra fuel duty. Would it be Liberal Democrat policy to continue to support increases in the escalator year on year?

Mr. Baker: I have set out the calculations on how our policy, including VED, would lead to a reduction in costs for rural drivers using a particular size of car to do a particular mileage. I think, therefore, that I have dealt with that point already.

Finally, I shall turn briefly to what we want to happen with the rail system. We want trains to be reliable and safe, especially for women at night. We want them to be clean and welcoming. Above all, we want them to be cheap.

In my constituency, the A27 Lewes-Polegate road is chock-a-block with traffic, while nearly empty trains run parallel to the road. The trains are nearly empty not because they are inconvenient or stop in the wrong place: the service is very good and the stations at Lewes, Brighton and Eastbourne are in the middle of town. The reason is that the trains are simply too expensive. Cutting fares would be a sensible use of Government money. The cost to the Treasury would be less than that incurred by the provision of infrastructure for new roads.

Such things cannot be done overnight. I welcome the start made in the White Paper, but the Government are still in first gear. We want them to go further, faster.

9.6 pm

Miss Geraldine Smith (Morecambe and Lunesdale): Much has been said tonight about congestion on our roads. I share the concerns that have been expressed in the debate, but it is difficult to swallow the criticisms levelled at the Government by Conservative Members. Public transport in this country was systematically run down over 18 years of Conservative Government. In that time, the whole of the former British Rail network was underfunded before the former Government privatised it at a knock-down price. Also, local authorities that tried to provide low-cost, efficient, local bus services were undermined by deregulation and the prohibition on subsidies to bus operators. The net result of Tory policies was the greater use of private cars and a reduction in the use of public transport.

Conservative Members have a cheek when they talk about revitalising town centres, given the way in which their Government decimated those centres by giving planning consent, year after year, for out-of-town shopping centres. We watched the growth of those centres throughout the Tory years—so I shall take no lectures from Conservative Members on transport policies. Their record is one of dismal failure over many years.

However, I recognise that serious transport difficulties face this country. There is a long way to go before we achieve the integrated public transport that people require and deserve. I welcome the Government's recognition of the problem, and I welcome, too, their strategy to help to relieve congestion and bring about health and environmental improvements. We know the problems of pollution and the effects of congestion on our roads, and we know what that is doing to our children. We must address all those very serious issues. It is obvious to everyone—except, perhaps, to some Conservative Members—that the solution lies in getting people out of their cars and on to decent, affordable public transport. That must be done by persuasion.

Mr. Paterson: Does not the hon. Lady understand that the Government's policy is urban driven and cannot apply to rural areas? There are 98 villages in my constituency. With the best will in the world, there will never be a comprehensive public transport system. Private cars, vans and lorries will remain the prime means of transport for people of all ages and classes. All commerce depends on motorised vehicles.

Miss Smith: I appreciate that rural communities rely on private transport, but there are things that can be done. For example, the Post Office operates a post-bus service, which is very helpful in rural communities.

Mr. Paterson: It runs once a day.

Miss Smith: It delivers mail and carries people from village to village. However, I accept the hon. Gentleman's point that rural communities rely on private transport as well as public transport. There is no disputing that.

We must persuade, not force, motorists out of their cars. There is a big difference in that. We must offer motorists safe, clean, reliable, affordable and convenient public transport. People in rural communities will leave their cars at home only if there are decent bus services. In some villages in my constituency, the last bus is at 6 pm, so without a private car no one can leave the village. We must address those problems before we ask people, unrealistically, to leave their cars at home.

Huge capital investment—either public or from private partnerships—is required in public transport. Improvements should also come from general taxation, rather than from hammering the motorist with a multitude of charges, levies and taxes. I feel strongly that it is unfair to penalise the poorest motorists through raising petrol levies. We must persuade people to leave their cars at home by providing public transport. If we do it the other way around, we will put the cart before the horse.

Many people choose not to drive. I did not drive for 10 years when I worked for the Post Office in the Morecambe and Lancaster area, but I had to take it up when I was forced to move to an office 30 miles away. Many of my constituents have no option but to drive to work on out-of-town industrial estates that are inaccessible by public transport. People who work shifts,

[Miss Smith]

hospital workers, those who work in out-of-town shopping centres and many others have to drive to work. If we attack the motorists, we shall often be attacking low-paid workers who would have to leave their jobs if they had no car to get them to work.

Many parents drop off children at school in the morning and collect them when the school closes. Often, there are no adequate school buses. Can parents, worried about safety, really be expected to allow children to walk to school? We must be realistic. School buses and safe routes to school are needed—but until they arrive, people will drive.

Out-of-town shopping has damaged town centres and has not, on the whole, been good. However, it exists, and I, like many hon. Members, do my shopping out of town. Do we use public transport for that? Very few of us do, because it would be an absolute nightmare.

Mr. Jenkin: I do.

Miss Smith: The hon. Gentleman must be one of the few who go to out-of-town shopping centres on public transport. He will know what a nightmare it is to carry home bags of food, clothes and much more. Without a car, we have to depend on often unreliable public transport.

I represent many rural villages, so I know the problems that people face when buses do not run beyond tea-time. It is sad that my constituents in the village of Warton have no way of getting home at night from Lancaster or Morecambe. We must address such problems, and I am pleased that the Government are trying to do so through the rural transport initiative.

The car provides freedom for people with disabilities and older people. Even if the disability is slight—perhaps someone cannot walk far because of bad arthritis or a bad heart—people with disabilities need their cars to allow them to go to town. We must be careful not to penalise those people by driving fuel bills too high. Any Government foolish enough to take on the motorist would soon face serious difficulties. A large percentage of people drive. They depend on their cars. Next to their homes, most people aspire to owning a car. We must recognise that that is how people think and how they will continue to think for the foreseeable future. It is a fact of life and it will not go away because we want it to.

We must consider how we can change people's attitudes, again by persuasion. What would persuade me to stop using my car is knowing that public transport was safe, reliable and convenient. We must ensure that it is, but to do so everyone has to pay the price. The people who will benefit most from improvements in public transport are those who do not own cars and who already use it. Surely, if they are to benefit, they should also contribute.

Therefore, in the main, improvements in transport should be paid for from general taxation. It will take huge amounts of money and I recognise that the Government have been left with a transport system that is in an horrendous state. It has been neglected for 18 years. Car use has been allowed to escalate and we have not considered how we can persuade people to use other forms of transport. Our public transport system is crumbling. People complain about London, but if I lived here I would at least find it easier to get around. There are all-night buses and there is the tube. In my constituency, buses often do not run at night and what service there is tends to be infrequent.

Until we get all those things right, the Government must realise that people cannot be forced out of their cars. They simply will not have it. They will hit back against any Government who try to implement that policy—and the Government will lose out. We should not force people out of their cars. We should listen to what people tell us, which is that they enjoy using their cars and will continue to do so for the near future. Only through sensible transport policies will we reduce car use.

Mr. Paterson: In that case, will the hon. Lady impress upon her Front-Bench colleagues that the fuel escalator should cease next year?

Miss Smith: The fuel escalator was introduced by the hon. Gentleman's party. It did not do the Conservatives much good, as they lost the last general election. It was not a popular policy, but then not many of the policies that the Conservative Government were proclaiming at that stage were popular with the British people.

My purpose tonight is to ask the Government to reflect carefully and to think about the vast majority of people in this country who drive cars and who need to be persuaded to use public transport. Transport needs to be in place for them to be able to use it.

Mr. Paterson: Will the hon. Lady do the House the courtesy of answering my question? Will she propose that the Government do not extend the fuel escalator next year?

Miss Smith: I was winding up. I told you that the fuel escalator was unpopular for your—

Mr. Deputy Speaker: Order. The hon. Lady does not tell me anything.

Miss Smith: I apologise, Mr. Deputy Speaker. I was telling the hon. Member for North Shropshire (Mr. Paterson) that I did not think that the fuel escalator was a popular policy for the Conservative Government. If that policy is continued and the price of petrol increases dramatically, it will not be a popular policy for this Government, either. That is why I ask them to think carefully and why I am speaking tonight.

9.19 pm

Mr. David Tredinnick (Bosworth): I am grateful for being called to speak, Mr. Deputy Speaker. I noted that my hon. Friend the Member for North Shropshire (Mr. Paterson) was winding up the hon. Member for Morecambe and Lunesdale (Miss Smith) as she tried to wind up her speech.

I am grateful to have a few minutes and I will confine my remarks to my Leicestershire constituency, to consider the problems of the development in Hinckley and the need to upgrade the A5 between the M1–M69 roundabout and the Longshoot junction at Nuneaton.

Earlier, the Deputy Prime Minister said that it was a mistake to link planning and transport. I want to demonstrate that if we do not consider transport in relation

to the A5, Watling street and Hinckley, development in Hinckley will not take place in line with his inspector's recommendations on the local structure plan. As soon as those proposed developments are approved by the borough council, the Highways Agency will reject them on the ground that the trunk road does not have the capacity. I commend the Highways Agency and my local council—Hinckley and Bosworth borough council—for getting together to try to solve that problem sensibly.

In my rural constituency of 100 square miles, there has been tremendous concern among car owners about tax increases. My hon. Friend the Member for North Shropshire also referred to that matter. There has been particular concern in the more rural parts of my constituency, but firms such as Crowfoots, in the main town of Hinckley, are extremely worried about the hike in diesel costs. That has caused great hardship.

There would be anxiety about any proposed bus lanes in the midlands. My right hon. Friend the Member for Wokingham (Mr. Redwood) referred to the bus lane experiment on the M4. We should be most concerned about any proposed bus lanes on the M1 and the M69.

The Secretary of State has failed to set up the much-vaunted Strategic Rail Authority; we should be interested to know when that will be done. It was one of his flagship proposals. The chaos on the Circle line reflects badly on the Labour Administration, too.

In Hinckley, there will be no development on the main local sites—such as grass plots, Nutts lane, Coventry road housing estate or the area off Wolvey road, unless the Government are able to help us. There can be no development in line with the Government's proposed increase in house building in Hinckley and the rest of Leicestershire unless improvements are made to the A5—an important trunk road. It is nonsense that we are unable to expand Hinckley, which is a most important town in the midlands.

The right hon. Gentleman can help us. The proposals are for a private-public partnership and will be introduced over five or six years. A few years ago, a small development took place on a section of the road from the Coventry road roundabout to Longshoot, which eased traffic enormously. We now need to extend that development. That could be done if the DETR, through the Highways Agency, looks kindly on the proposals. They have been well thought out and will cost about £9 million. If a railway bridge in the area is raised or lowered, the cost may increase by about 10 per cent to 20 per cent. If the Deputy Prime Minister supports the scheme, there will be huge benefits for the nation, because when the M6 is clogged up, the A5—the main arterial road running from London to the north-west—comes into play. I appeal to him to take note of that local initiative.

During the past fortnight, there have been two fatal accidents on that part of the road and there have been four fatal accidents in almost as many months. We need black-spot and warning signs on that section, and we need markings on the roundabouts. We need immediate action. I appeal to the Deputy Prime Minister to consider the matter.

Jacqui Smith: Is the hon. Gentleman aware that he is arguing for traffic calming measures, such as those opposed by Members on the Conservative Front Bench during the opening comments of the debate?

Mr. Tredinnick: The hon. Lady must have misunderstood me; I thought that I was arguing for improvements on the road itself—a dual carriageway, three lanes and some roundabouts. That was the principal thrust of my argument.

Mr. Paterson *rose—*

Mr. Tredinnick: Does my hon. Friend want to intervene?

Mr. Paterson: I merely wanted to say that the hon. Member for Redditch (Jacqui Smith) shamefully misinterprets my hon. Friend's arguments.

Mr. Tredinnick: I am grateful to my hon. Friend.

The Deputy Prime Minister has a unique opportunity to use his influence in respect of a major strategic road in the middle of England and to enhance his own reputation. I hope that he will not miss that opportunity.

9.25 pm

Ms Rosie Winterton (Doncaster, Central): I am glad to have an opportunity to speak in the debate, because transport has an enormous effect on the quality of life of all of us and of our constituents.

In a voluntary capacity, I am a member of the RAC's public policy committee, so I know how important it is to motorists that we do something to reduce congestion on our roads. The RAC Foundation for Motoring recently surveyed RAC members, and the results show that 78 per cent. of motorists are concerned about traffic congestion. That motorists are concerned about the costs of motoring is to be expected, but they also know that congestion is costly to business and in health terms. Motorists know that, not only because they are car drivers and car users, but because they are also pedestrians, cyclists and rail users.

The survey shows that everyone knows that maintaining the status quo is not an option; people want change. The Government are delivering change, by providing an extra £1.8 billion for public transport, developing local transport plans with local authorities, providing an extra £170 million for rural buses, and increasing road maintenance. Those measures are making a real difference in improving public transport.

Although congestion charging has not yet started, local authorities will be able to establish local transport plans that will, as my hon. Friend the Member for Morecambe and Lunesdale (Miss Smith) said, help to persuade people to leave their car at home. If bus lanes, park-and-ride facilities, bypasses and ring roads are available, funded through local transport plans, the motorists will be offered a choice and, as the RAC says, that is the way to ensure that people believe that they can leave the car at home.

Mr. Fraser: Will the hon. Lady give way?

Ms Winterton: No—I am sorry, but I have very little time.

The RAC survey showed that the majority of motorists said that, if the money derived from congestion charging went back—at local level—into improving transport, providing better roads and better public transport,

[Ms Winterton]

they would support charging. That is why the link with hypothecation is so important to the Government's aims. The survey also showed that 49 per cent. of motorists said that, if charging were introduced, they would try to car share; and, of those, 94 per cent. said that they thought that that could be achieved.

That survey was only of motorists—it did not take into account the views of those who do not have cars. In my constituency, 40 per cent. of people do not have a car—*[Interruption.]*

Mr. Deputy Speaker: Order. There are private conversations going on in the Chamber. It is bad manners to talk though the hon. Lady's contribution to the debate.

Ms Winterton: Thank you, Mr. Deputy Speaker.

The 40 per cent. of people in my constituency who do not own a car would not have been consulted in the survey, which shows that motorists support the action that the Government are taking.

The RAC Foundation for Motoring recently published a report, "Civilising Cities", which shows that people in local communities believe that improved transport links can help to increase employment, enhance access to leisure facilities and improve health through better air quality. The RAC believes that, if the DETR could set up a unit that would take those indicators into account—much in the way suggested by my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody)—that would help in assessing the effectiveness of local transport strategies. There is no doubt that it will take time to improve public transport—we must clean up the mess left by the Conservatives—but I am convinced that the actions of this Government will enable us to do that.

9.30 pm

Mr. Bernard Jenkin (North Essex): This Government were elected promising a great deal. Labour promised that there would be no new taxes and immediate benefits for the travelling public. We can laugh a hollow laugh at that. Labour said that merging the Departments of Transport and the Environment would create what it called "joined-up Government". Two years on, we have soaring anti-car taxation—the hon. Member for Morecambe and Lunesdale (Miss Smith) is right: the motorist is feeling hammered—transport spending has been cut and the Government pontificate endlessly against the car and against the ordinary folk who use it. We have had precious few policies and no legislation—which may be rather a good thing. We have had numerous consultation documents and policy launches, but the problems are worse than ever. Labour promised an integrated transport policy, but it is delivering a stand-still Britain.

After more than two years in office, all that the Government have to show for their transport and planning policies are ever-lengthening queues: queues of traffic on our motorways, queues of commuters waiting for their trains, queues of vehicles in town and city centres, queues of decisions waiting to be made and ever-growing queues of unanswered questions that are fundamental to the direction of future policy.

It is the Minister for Transport's first time at the Dispatch Box with me, so I shall be gentle with her. However, I should be grateful if she will answer in her winding-up speech some of the questions that the Government's policies leave unanswered. Let us consider the problems on the tube. The Circle line has been closed for two weeks and will remain closed for another seven weeks. Later this week, the city branch of the Northern line will also be closed for repairs. There is uncertainty about when the Jubilee line extension will be completed.

Will the Minister make a brief statement about the future of the public-private partnership on the tube? Will the Minister admit that the PPP is now at least one year behind the timetable envisaged in March 1998, that the contracts should have been let last September—we are not yet at the pre-qualification stage—and that the completion date of April 2000 is now ludicrously impossible? Will she tell the House who supports this public-private partnership? Not a single mayoral candidate is on record as backing it. Does the hon. Lady remember Labour's criticism of rail privatisation: that it was fragmenting the network? This public-private partnership will fragment the tube into four different companies, fragment the sub-surface tube from the deep tube and will split the management of the tube from that of London Buses for the first time in more than a generation. How is that integration?

Who will pay for the PPP? A written answer makes it clear that the Government subsidy for the tube will run out in April next year. Is it now apparent that the congestion charges and parking taxes will be hijacked by the Government to pay for their failed policies on the tube. What will happen when the money runs out? It is quite obvious that London Underground will run out of funds before the PPP is in place. Does the Minister agree that Londoners will rue the day when Labour cancelled the Conservative investment plans for the tube?

The public-private partnership is an extraordinary beast. It is one thing to privatise the management and the operations of the tube and hold the assets in the public sector but quite another to privatise the assets but keep the management answerable to the whims and fancies of politicians and civil servants. There is no precedent for the PPP. I recall the right hon. Member for Glasgow, Anniesland (Mr. Dewar) describing the privatisation of British Airways as the "pantomime horse of capitalism". This public-private partnership will be the pushmi-pullyu of the public sector.

The consensus option is the model proposed by Professor Glaister. Why do not the Government consider that? The supreme irony is that privatised Railtrack will be bailing out the Deputy Prime Minister's discredited policies.

That brings us to railway investment. I have a few questions about that. Does the Minister agree with Sir Alastair Morton, who says that he wants to make rail privatisation work, and that it was always going to take 10 years to do so? When will the Strategic Rail Authority Bill be published? Is it true that the Deputy Prime Minister was forced to remove that announcement from his speech this afternoon? What powers are needed by the SRA that the British Railways Board, the Office of Passenger Rail Franchising and the Rail Regulator do not already have? Is a new statute really necessary?

When will the Government stop fighting the previous election campaign against the rail companies that are trying to deliver the network and service improvements that the Government say they want? If the rail franchises

are too short, why have the Government taken no action on that for over two years? How will Railtrack deliver its £27 billion investment plans if Ministers continue to threaten its profitability and undermine its share price? That investment includes the investment in the west coast main line, as my hon. Friend the Member for Cheadle (Mr. Day) pointed out. When will the Government make the decisions that will enable Railtrack to deliver the rest of its investment plans?

What is the objective of the rail regulatory review, and when will that be completed? With freight trebling over 10 years, what will the Government do to improve on their target, which is presumably part of their policy? As sure as eggs are eggs, increasing fuel duties for road freight is not the answer.

That brings me to the crisis in the road haulage sector. After her Government's massive hikes in fuel tax and vehicle excise duty, does the Minister recognise that the UK road haulage industry faces an unprecedented crisis? Is she aware that one in 10 long-haul trucks in the UK are now foreign-registered? The Conservatives' policy is to end the fuel escalator. What is the Government's policy? Will they increase fuel duties in the next Budget? The Minister's predecessor was considering our plans for the Britdisc. What progress has she made on that? She has finally agreed a new meeting, on 19 July, for the road haulage forum, but why has it taken so long since the first meeting—which was in early April—to do so? Are such delays the penalty for having a new Minister for Transport every year?

Does the right hon. Lady think that forcing UK hauliers out of business will help to solve congestion on our roads? Is taxation—on fuel, congestion and parking—the Government's only policy to solve congestion? In response to the remarks of the hon. Member for Morecambe and Lunesdale, I ask whether it is fair to try to price poorer motorists off the road. That is the effect of the Government's policy.

On planning and congestion, has the Minister read the report by her noble Friend Lord Rogers? He says that building 40 per cent. of the 4 million new homes required over the next 25 years on green-field sites would

"lead to a further erosion of the countryside, increase traffic congestion and pollution, damage biodiversity and increase social deprivation".

What is the Government's response to that?

Congestion growth is found not in city centres or suburban areas but on inter-urban roads, where traffic is set to grow by 70 per cent. over the next 20 years. The hon. Member for Doncaster, Central (Ms Winterton) is right to say that congestion is costly, but how will cancelling virtually the entire roads programme reduce congestion? Ninety-one per cent. of journeys are made by car, and 94 per cent. of land freight is moved by road. My hon. Friend the Member for Bosworth (Mr. Tredinnick), who spoke in the debate, understands that.

There is a fundamental contradiction in the Government's policy: there is no evidence that traffic growth forecasts have changed, but they are making absolutely no provision for any traffic growth.

Mr. Nicholas Soames (Mid-Sussex): Is my hon. Friend aware of the astonishing decision taken by the Deputy Prime Minister to grant additional planning permission for even more new houses in West Sussex without any provision for improvements in infrastructure? How does that combine with care for the environment?

Mr. Jenkin: My hon. Friend is right; the decision does nothing about caring for the environment. Nor will it reduce traffic and congestion.

It is perfectly all right for the Minister for Transport, who represents a Scottish constituency, to sit in her place and pontificate about policy—*[Interruption.]*

Mr. Deputy Speaker: Order. The House must come to order.

Mr. Jenkin: In the 18 years of Conservative Government, spending per head on roads was 24.7 per cent. higher in Scotland than in the rest of the United Kingdom. In the Government's own plans, spending remains 12.3 per cent. higher in Scotland. How can the right hon. Lady come to this House, where she has no responsibility for roads in her constituency, to tell us in England that we should not complain about her cuts in our English roads programme? Why are a Government who pledged to revolutionise transport raising more taxation than ever from it but cutting spending?

Mr. Tony McNulty (Harrow, East): Will the hon. Gentleman give way?

Mr. Jenkin: I will not give way.

The Deputy Prime Minister was hit very badly in the public spending review. Last year, he spent £4.7 billion on transport, this year, it is £4.6 billion, and next year, £4.5 billion. Taxation raised from road users last year totalled £32 billion. We have an affluent society, and the car economy reflects that affluence, yet this Government expect roads to be funded on a shoestring.

We have a standstill on the roads, a standstill at the UK Passport Agency, as we heard earlier and, by a quirk of irony, we also have a standstill at the airports. The Government are meant to be taking decisions on the public-private partnership for National Air Traffic Services. It was announced last summer in a document on asset disposals for the financial year 1999–2000.

Mrs. Dunwoody: Does the hon. Gentleman support the sale of National Air Traffic Services?

Mr. Jenkin: It was our policy at the general election to privatise National Air Traffic Services. It is also the policy of her Government, as it says in the document. They are meant to be privatising the services during this financial year, but where is the legislation? Where is the decision? Is the Deputy Prime Minister being jumped on, just as he has been jumped on concerning other decisions?

NATS needs £100 million of new capital every year, and the Government are taking it away. Talk about disinvestment! More delay on the decision means more delays for air travellers, holidaymakers and business men flying abroad. If the Minister for Transport is in charge of this privatisation, will she be giving the necessary reassurances on safety?

Will the right hon. Lady give the necessary assurances on pensions? After serving as Robert Maxwell's right-hand man in Scotland as director of public and

[Mr. Jenkin]

corporate affairs of the Mirror Group (Scotland), at Robert Maxwell's beck and call, does she think that she is qualified to give assurances on pensions, of all things? Her defence is that she did not know what was going on at the time. It is quite obvious that she does not understand what is going on now in her Department.

After two years in power, Labour is bringing Britain's roads to a standstill. Rail networks are overcrowded and Britain has the highest fuel taxes in Europe, but our transport investment ranks among the lowest. Labour sees motorists, who are ordinary people, as nothing but a tax-raising opportunity.

After two years in power, no one knows what Labour's transport policies are—except for their disastrous M4 bus lane and new taxes on traffic queues and on people who park at work. The Deputy Prime Minister's Department has no money, no legislation, no principles and no solutions to the transport crisis.

We promise to deliver a fairer deal for Britain's travelling public, to provide real transport options, to encourage greater innovation and private investment. At the same time, people want to be able to use their cars responsibly and to respect and protect the environment.

Labour is taking the country on a road to nowhere because it is ignoring the real needs of the travelling public. We believe in increasing public choices, not reducing them. The Conservatives will get Britain moving again.

9.45 pm

The Minister for Transport (Mrs. Helen Liddell): I thank the hon. Member for North Essex (Mr. Jenkin) for his welcome to the Dispatch Box. I was greatly amused when he said that he would be gentle. I kept waiting for him to start his speech. In fact, I am frequently overawed by the hon. Gentleman's ability to keep a straight face when he comes out with such twaddle as we heard tonight.

The motion, the opening speech of the right hon. Member for Wokingham (Mr. Redwood) and the speech of the hon. Member for North Essex were glaring examples, even by Tory standards, of political hypocrisy camouflaged as righteous indignation.

On an Opposition Day motion, on a subject that the Opposition presumably consider important, only two Opposition Back Benchers sought to speak in the debate. That is the measure of Opposition interest in the debate. The far-sighted approach to transport choices that they have demonstrated tonight reflects the phrase of one of their former Prime Ministers—

Mr. Oliver Heald (North-East Hertfordshire): On a point of order, Mr. Deputy Speaker. Is it in order for a Minister to claim that only two Conservatives put in to speak, when it was quite plain at the end of the debate that at least two Conservatives were rising and trying to get in?

Mr. Deputy Speaker: That is not a point of order. The Chair is not responsible for what the right hon. Lady or any other hon. Member says.

Mrs. Liddell: I am amused by the intervention of the hon. Member for North-East Hertfordshire (Mr. Heald), as I have been in the Chamber all evening and he has only recently come in.

Mr. James Gray (North Wiltshire) *rose—*

Mr. Paterson *rose—*

Mrs. Liddell: Ah—Opposition Members all want in now. They all want their mark in the register, now that they have come in. *[Interruption.]* I give way—

Mr. Deputy Speaker: Order. The right hon. Lady is not giving way.

Mrs. Liddell: Thank you, Mr. Deputy Speaker, for pointing out that I am not giving way.

Mr. Paterson *rose—*

Mrs. Liddell: I do not know which part of no the hon. Gentleman does not understand.

To judge from some of the contributions tonight, it is clear that the Opposition are confused and have no memory. I found it interesting that the hon. Member for North Essex made no reference to the much-vaunted M4 bus lane—

Mr. Jenkin: I did.

Mrs. Liddell: I must have missed that comment. Presumably it was different from the comment that the hon. Gentleman made on 11 March, when he addressed the Institute of Directors and said that there was much in the Government's White Paper with which the Conservatives agreed, not least the sensible approach to bus lanes. Presumably that is what he had in mind when he constructed the Opposition motion this evening.

Mr. Jenkin: Why did the Government issue no public consultation about that bus lane? Why was it not modelled through the Transport Research Laboratory? Why was there no marketing push to improve the use of public transport on the bus lane before it was launched? Why was it just sprung on the public as the silly stunt that it is?

Mrs. Liddell: The only silly stunt that we have seen tonight is the Opposition motion.

When the right hon. Member for Wokingham opened the debate, I wonder whether he was conscious of the fact that the shadow Transport Minister beside him not only did not support him when he ran for the leadership of the Conservative party, but has made it clear in the past that he supported Mr. Michael Portillo. I have no doubt that tonight's debate was much more about posturing within the Conservative party than about making a meaningful contribution to public transport policy. *[Interruption.]*

When Labour came to power, we inherited—

Mr. Deputy Speaker: Order. It does not do for the Chair to keep standing and intervening. I plead with the House again to come to order. The House must keep good order.

Mrs. Liddell: I reiterate: when the Labour Government came to power, we inherited a transport system that had been undermined by the ideological pursuit of the free market and starved of vital investment.

When we were elected we discovered a £1.2 billion shortfall in investment in London Underground. This morning, the hon. Member for North Essex was caught out on the "Today" programme whenever he talked about such investment because Mr. James Naughtie pointed out that he had made it clear three months before the general election that the Conservative Government regarded it as adequate. Conservative Members have repeatedly mentioned the problems of the Circle and Northern lines. Had there been the investment in London Underground that there should have been, the difficulties that are being experienced on the Circle line would not have arisen.

Labour Members are committed to taking concrete and practical approaches to public transport and to the use of the car. We believe in an integrated transport policy. *[Interruption.]* From a sedentary position, Conservative Members ask what an integrated transport policy is. I am not surprised that they ask that, because their policies will fragment and destroy the public transport network.

We started by merging the Departments of the Environment and of Transport to make sure that we take an integrated approach to policy. We are committed to physical integration that ensures that all modes of transport work smoothly together. We also believe that there should be vertical links when decisions are taken at national level. Those links should filter down to proper and adequate local decision making. We also believe in the integration of public and private transport because we want to give people the choice of using either their cars or adequate public transport.

The hon. Member for North Essex is an ex-car salesman. Like him, I enjoy using a car. We do not want people to stop using their cars; we want them to be more sensible about the use of their cars. Conservative Members have extremely short memories. The Green Paper published by the previous Government in 1996 made it plain that alternatives to the car had to be found and that difficult decisions would have to be taken.

We have heard much this evening about the road policy. The 1996 Green Paper included the statement that the roads network was almost complete. One aspect of roads policy was distinctly ignored by the previous Government—there was no attempt to achieve proper road maintenance, and a number of speakers have made plain the local difficulties that they are experiencing as a consequence of the previous Government's crazy policies and the failure to tackle—

Mr. Gray: Will the Minister give way?

Mrs. Liddell: No, I want to make progress. If I have time, I shall give way.

A number of points have been made by hon. Members about the difficulties—*[Interruption.]* Conservative Members ask about the points that have been put to me. I am about to respond to them, not least those made by the hon. Member for Cheadle (Mr. Day). *[Interruption.]* Those on the Conservative Front Bench say, "How exciting." They have not all been in the Chamber this evening. If they had been, they would have heard some constructive points from my hon. Friends, who are committed to a proper transport policy, not the haphazard opportunism of Conservative Members.

The difficulties that we are experiencing with our transport network were not two years in the making; they were 18 years in the making. The hon. Member for Cheadle talked about some of the difficulties that are being experienced in Manchester and on the west coast main line. I argued for improvements to be made when I was an Opposition Back Bencher, but the previous Government made no attempt to get them under way. He also asked about airport policy.

Mrs. Eleanor Laing (Epping Forest): Will the Minister give way?

Mrs. Liddell: No. I am replying to points made by the hon. Member for Cheadle, who has had the courtesy to remain in the Chamber for the duration of the debate.

The hon. Gentleman asked me about airport policy, and the difficulties that are experienced when aircraft stray from their given paths. That is an interesting point, which the Government have already considered. We will consult on matters concerning air traffic, not least those relating to the difficulties of noise mitigation. Many problems of noise are caused by aircraft that go off their permitted paths. I hope that that commitment is of some assistance to the hon. Gentleman, and to his constituents.

Predictably, we heard an interesting speech from my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody), who, on the basis of considerable knowledge, spoke of the role of the Strategic Rail Authority. A number of speakers referred to the authority, and to our determination to end the fragmentation created by haphazard rail privatisation and get the railways working again in the interests of the travelling public and our economy.

My hon. Friend made a valid point about the need for us to give the authority statutory backing. If Opposition Members want a railways Bill and a Strategic Rail Authority, perhaps they should consider applying the working time directive to the House of Lords. Were it not for the delaying tactics in the House of Lords, we should be able to proceed much more quickly with the establishment of a Strategic Rail Authority, and with a railways Bill—although I can say that we hope soon to be able to make an announcement about the Strategic Rail Authority.

Mr. Gray: Will the Minister give way?

Mrs. Liddell: No. I will not. I want to take up more of the points that have been made.

In a considered speech, my hon. Friend the Member for Morecambe and Lunesdale (Miss Smith) spoke of the difficulties caused to her community by the rundown in public transport over 18 years of Conservative Government. She also referred to the increase in out-of-town shopping, and the pressures that it imposed on those without cars. I remind my hon. Friend that, in the lifetime of the last Government, the number of out-of-town shopping complexes increased from 100 to more than 1,000. That caused considerable difficulties.

My hon. Friend made some considered points about the fuel escalator. Her comments were much more sensible than those of the hon. Member for North Essex. I remind her that we have international obligations in relation to the Kyoto summit, which is why we supported the last

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Government when they introduced the fuel escalator. Indeed, it was the hon. Member for North Essex who, when the escalator was introduced, waxed eloquent in his praise of the Chancellor for introducing it.

My hon. Friend also made an important point about schools. I hope to be able to make some announcements tomorrow about Government policy to assist those who wish to ensure that their children can walk to school. In the lifetime of the last Government, there was a considerable increase in the number of children being driven to school by car. That is not good for children's health, and it does not help the problem of road traffic congestion, much of which occurs at about 8.50 am. Because Labour Members believe in joined-up government—that phrase that we hear so much—I, along with my colleagues in the Department of Health and the Department for Education and Employment, have promoted a number of initiatives relating to school transport.

I note from tonight's debate that Opposition Members—who are now trying to deny it—oppose the very traffic-calming measures that have ensured a 20 per cent. reduction in the number of accidents. It is clear to Labour Members that for 20 years we had to stand in impotent opposition, while a Government who did not care and would not act presided over economic disruption and social deprivation. Labour Members believe in public transport, and we will ensure—

Mr. James Arbuthnot (North-East Hampshire) *rose in his place and claimed to move,* That the Question be now put.

Question, That the Question be now put, *put and agreed to.*

Question put accordingly, That the original words stand part of the Question:—

The House divided: Ayes 137, Noes 350.

Division No. 221] **[10 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Heseltine, Rt Hon Michael
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
St Aubyn, Nick
Sayeed, Jonathan
Shepherd, Richard
Simpson, Keith *(Mid-Norfolk)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Waterson, Nigel
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mrs. Jacqui Lait and
Mr. Stephen Day.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Armstrong, Rt Hon Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Baker, Norman
Banks, Tony
Barnes, Harry
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Benton, Joe
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blizzard, Bob
Boateng, Paul
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brake, Tom
Breed, Colin
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnett, John
Butler, Mrs Christine
Byers, Rt Hon Stephen
Cabom, Rt Hon Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Cann, Jamie
Caplin, Ivor
Caton, Martin
Chaytor, David
Chidgey, David
Clapham, Michael

Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Rt Hon Dr Jack *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Curtis–Thomas, Mrs Claire
Dalyell, Tam
Darling, Rt Hon Alistair
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davis, Terry *(B'ham Hodge H)*
Dean, Mrs Janet
Denham, John
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Fearn, Ronnie
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Forsythe, Clifford
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Galloway, George
Gapes, Mike
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Hanson, David
Harman, Rt Hon Ms Harriet
Harris, Dr Evan
Heath, David *(Somerton & Frome)*
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Hood, Jimmy
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jones, Barry *(Alyn & Deeside)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jones, Nigel *(Cheltenham)*
Kaufman, Rt Hon Gerald
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Keetch, Paul
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Ms Oona *(Bethnal Green)*
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Rt Hon Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mallaber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Rt Hon Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moore, Michael
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Mudie, George
Mullin, Chris
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Opik, Lembit
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Radice, Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Rooker, Jeff
Rooney, Terry
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Sanders, Adrian
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stinchcombe, Paul
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Taylor, Matthew *(Truro)*
Temple–Morris, Peter
Timms, Stephen
Tipping, Paddy
Todd, Mark
Tonge, Dr Jenny
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Willis, Phil
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Worthington, Tony
Wray, James

Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Mrs. Anne McGuire and
Mr. Mike Hall.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments):—*

The House divided: Ayes 311, Noes 147.

Division No. 222] **[10.13 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Alexander, Douglas
Allen, Graham
Anderson, Donald *(Swansea E)*
Armstrong, Rt Hon Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Banks, Tony
Barnes, Harry
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Benton, Joe
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blizzard, Bob
Boateng, Paul
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Rt Hon Stephen
Cabom, Rt Hon Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Cann, Jamie
Caplin, Ivor
Caton, Martin
Chaytor, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael.
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Rt Hon Dr Jack *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Curtis–Thomas, Mrs Claire
Dalyell, Tam
Darling, Rt Hon Alistair
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Galloway, George
Gapes, Mike
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grogan, John
Gunnell, John
Hain, Peter
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hood, Jimmy
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jones, Barry *(Alyn & Deeside)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Kaufman, Rt Hon Gerald
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Rt Hon Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mallaber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Milburn, Rt Hon Alan
Miller, Andrew
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Mudie, George
Mullin, Chris
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Purchase, Ken
Quin, Rt Hon Ms Joyce
Radice, Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Rooker, Jeff
Rooney, Terry
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stinchcombe, Paul

Soate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Timms, Stephen
Tipping, Paddy
Todd, Mark
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mrs. Anne McGuire and Mr. Mike Hall.

NOES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Baker, Norman
Beggs, Roy
Beith, Rt Hon A J
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brake, Tom
Brazier, Julian
Breed, Colin
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burnett, John
Butterfill, John
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cran, James
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Faber, David
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Flight, Howard
Fraser, Christopher
Gale, Roger
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Hawkins, Nick
Heald, Oliver
Heath, David *(Somerton & Frome)*
Heathcoat-Amory, Rt Hon David
Heseltine, Rt Hon Michael
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Kirkwood, Archy
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
Moore, Michael
Moss, Malcolm
Norman, Archie
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Sayeed, Jonathan
Shepherd, Richard
Simpson, Keith *(Mid-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Tonge, Dr Jenny
Townend, John
Tredinnick, David
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Waterson, Nigel
Webb, Steve
Wells, Bowen
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Willetts, David
Willis, Phil
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mrs. Eleanor Laing and Mrs. Jacqui Lait.

Question accordingly agreed to.

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House deplores the previous Government's record of under-investment and disintegration in the transport network, its failure to tackle congestion as traffic rose by 75 per cent., the £1.2 billion investment backlog it left on the London Underground and its cut in road maintenance; commends the Government for producing the first Transport White Paper for 20 years, taking a far-sighted and more integrated approach than the previous administration, and linking together planning and transport policy more closely; and notes that the present Government has begun to tackle the inherited problems of under-investment, pollution and increasing traffic congestion, by a new radical integrated strategy, including an extra £1.8 billion for public transport and local transport management, winning back passengers to public transport, improving road maintenance, encouraging greater fuel efficiency, reducing pollution, and introducing the long-term policies needed to increase transport choice and improve Britain's transport system.

ESTIMATES

Motion made, and Question put forthwith, pursuant to Standing Order No. 145 (Liaison Committee),

That this House agrees with the Report [24th June] of the Liaison Committee.—*[Mr. Hill.]*

Question agreed to.

SELECT COMMITTEE ON BROADCASTING

Ordered,

That Mr. Ivor Caplin be discharged from the Select Committee on Broadcasting and Mr. Kelvin Hopkins be added to the Committee.—*[Mr. Hill.]*

PETITION

Thorney Bypass

10.25 pm

Mr. Malcolm Moss (North-East Cambridgeshire): It is my privilege, as the hon. Member for North-East Cambridgeshire, to present this petition on behalf of the residents of the village of Thorney in my constituency regarding their campaign to reinstate a bypass for their village. The bypass was in the previous Government's road programme but was removed from the programme by the incoming Labour Government.

The petitioners, therefore, request the House of Commons to urge the Secretary of State for the Environment, Transport and the Regions to consider reinstating the A47 Thorney Bypass into the Government's road building programme with immediate effect.

And your Petitioners, as in duty bound, will ever pray.

To lie upon the Table.

Iraq

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Hill.]*

10.26 pm

Mr. George Galloway (Glasgow, Kelvin): I declare an interest, in that I am chairman of the Mariam appeal for cancer victims in Iraq, which has received support from the Governments of Saudi Arabia and the United Arab Emirates.

I begin by welcoming my hon. Friend the Minister of State to his new and important position in the Government—although I regret, as does the whole House, the circumstances that led to his appointment. The late Derek Fatchett and I had many spectacular clashes on this and related subjects, but I always respected him greatly, and he is sorely missed.

I shall start by telling the Minister what I am not going to talk about. The character of the Iraqi regime has been effectively carpet bombed on many occasions by hon. Members throughout the House. In the 15 minutes available to me, I do not intend to add to the many statements, speeches and interventions on the subject that I have made over the years. I hope that my hon. Friend will take them as read. However, I note that paragraph 14 of United Nations Security Council resolution 687 demands the establishment of a middle east free of weapons of mass destruction. I support that goal and call for the Iraqi regime to forswear such weapons, as I call on Israel—which sits atop an easily verifiable mountain of nuclear, chemical and biological weapons—to forswear them also.

The House has of late been much occupied with the concepts of genocide and of mass graves. I want to take the Minister on a brief tour of that wasteland, which will require him to exercise only a little imagination. Imagine a mass grave into which 6,000 small children are laid every single month. Imagine that those months stretched into years—nine years—and imagine a mass grave in which more than 2 million people, mainly children, or the elderly, or the poorest, or the most ill, are laid one upon the other.

Imagine how mass such a grave would be. Imagine what a mountain 2 million dead people would constitute. Imagine what an ocean of blood is represented by those 2 million lost souls. Such a mountain, such an ocean, such a mass grave is not a figment of anyone's imagination: it is the reality of life and death under sanctions in Iraq.

That reality is testified to by a plethora of United Nations agencies—by the World Health Organisation, by the World Food Programme, by UNICEF and UNESCO, by the President of Finland, Martti Ahtisaari, who performed such service for the Government recently, by Dennis Halliday, the former Under-Secretary-General of the United Nations, by other high officials of the UN, and by other credible sources, such as *The Lancet*, the Harvard medical team and the delegation of Church of England bishops, recently returned from Iraq, who called the sanctions "ethically untenable".

No one is saying, of course, that those 2 million people were specially targeted, or that they were singled out for extermination. No one is saying that those dead people ever committed any offence against anyone. They could

hardly have done so, as most of them were small children. It is much, much worse than that. The killing has been wholly indiscriminate, except in one respect. Those people are dead for one reason only. They are—rather, they were—Iraqis. They had the misfortune to be born in Iraq at this time. I do not need to tell a man of my hon. Friend's legal background the name for the mass killing of people for no other reason than their race or ethnic origin.

It is no longer asserted—it was once—that we are exaggerating. The Security Council, in its recent report, said that it was reporting

"in the context of increasing concern among security council members over the humanitarian situation in Iraq."

The Security Council added that

"the gravity of the humanitarian situation of the Iraqi people is indisputable and cannot be overstated."

In his recent and turbulent debut before the Council for the Advancement of Arab-British Understanding, the Minister said that the Government were

"looking for a way out of the stalemate"

on Iraq, and talked of the "grave humanitarian situation". I genuinely consider it progress that we can agree about the gravity of the situation.

Can we also agree—for it is germane to the future as well as important to the history books—that what I have said in the House to more than one Minister, that the United Nations Special Commission inspectorate was riddled with spies, turned out to be true? After all, we have had the testimony of Scott Ritter, the deputy to Richard Butler, who headed UNSCOM. We have had the ground-breaking journalism of *The New York Times* and the *Boston Globe*. Most important of all, this week, we had an admission by Kofi Annan, no less, that UNSCOM inspectors were spying for the American intelligence agencies during their time in Iraq.

As the Minister knows, there is mounting international concern about the cancer epidemic in Iraq, and about the rapidly multiplying number of babies being born with deformities. My hon. Friend may have seen the recent cover story in *Tribune*, or he may have read Maggie O'Kane, whose reportage from Kosovo has been favourably commented on by the Government. In *The Guardian*, she quoted a doctor from one hospital, Dr. Zenad Mohammed, thus:

"In August 1998, we had three babies born with no head, in September, we had six with no heads, in October, one with no head and four with big heads and four with deformed limbs or other types of deformities."

There has been a tenfold increase in the number of cancer cases in Iraq over the past nine years, at the same time as there has been a catastrophic decline in the capacity of the Iraqi health service to cope with it. The number of children born with the conditions hare lip or cleft palate has tripled. As a father, the Minister will be able to imagine the horror of that.

Mr. Tam Dalyell (Linlithgow): Former Taoiseach Albert Reynolds and I saw exactly those conditions in December 1998. My hon. Friend does not exaggerate.

Mr. Galloway: I do not have to imagine the horror. Like my hon. Friend, I have seen it with my own eyes, and I have heard the cries of parents.

Please do not tell me that food and medicines are not covered by the sanctions. The Minister and I both know that that is only partly true and that, in so far as it is true, it is misleading. If we subject a country to the tightest of mediaeval-style sieges, bankrupt its economy and freeze its international assets, how much food and medicine can it buy? If we define food and medicines so that vitamins and additives are not foods, so that insulin or intravenous fluid are not medicine and so that everything from syringes to diagnostic equipment is subject to endless delay and subversion by the sanctions committee in New York, what will the effect be on the health of the people?

What is the point of allowing diarrhoea, typhoid and cholera medicines while forbidding the equipment to repair the water and sanitation systems? The collapse of those systems led to the epidemic of water-borne disease in the first place. If the Minister says that members of the Iraqi regime are not hungry and that their children are not suffering, he will merely make my point. The sanctions are not harming the Iraqi regime, which is stronger than it was when sanctions began. The sanctions are laying waste the innocent Iraqi population.

What is the point of doubling, doubling and doubling again the upper limits of the oil-for-food quotas, when the Government know that Iraq can only dream of pumping that amount of oil, given the degradation of the oil extraction and distribution system, when we ban under sanctions the wherewithal to upgrade it and when oil prices, although firming, are still historically low?

Please do not tell me that there are stockpiles of undistributed medicines in Iraqi warehouses. Read the United Nations Security Council's own report on page 9 about the deterioration of warehousing; the lack of handling equipment; communication and transport difficulties; and the lack of tools. Read the World Health Organisation's study, which proves that Iraq's warehouses are operating at less than 20 per cent. of previous capacity.

Please do not tell me that the Iraqi health service is importing frivolous or unnecessary equipment as, sadly, some of our colleagues have been misled into doing—like the canard about the liposuction equipment, when it was falsely implied in this place that it was being imported for the prettification of the wives of members of the regime. That was a deliberate piece of disinformation. I have followed that equipment, which is used as such equipment is used here—in surgery on women suffering from breast cancer and undergoing mastectomies; in surgery on patients suffering from severe burns; and on patients who are having tumours removed and whose own lipid must be moved from one part of the body to another.

If the Minister wants to end the stalemate with Iraq, it really is time to turn down the rhetoric of demonisation which, as he found at the CAABU meeting, is doing our reputation among the Arab peoples no good at all.

I have some questions for the Minister. If he cannot answer them now, I hope that he will do so in writing in due course. My hon. Friend said at the CAABU meeting that "it is nonsense" to suggest that Britain would like to see the break-up of Iraq and that

"Preserving the territorial integrity of Iraq is a fundamental part of our policy".

As President Clinton might say, "It all depends what you mean by 'is'".

After all, as will be seen increasingly in Yugoslavia, if one pursues policies that objectively contribute to the break-up of a sovereign territory, whatever one's

[Mr. Galloway]

protestations, the country will still be broken up. What else is the solely United States-United Kingdom policy of daily bombardment of the so-called no-fly zones, which have no United Nations Security Council authority, if it is not a contribution to the break-up of Iraq and an attack on its territorial integrity?

Lest hon. Members are misled by the relative media blackout on those bombardments, it is worth pointing out that Britain and America have dropped more bombs on Iraq since Desert Fox than we did during that massive operation and that the targets have included shepherds and their sheep, schools, hospitals, oil installations and oil storage tanks, civilian houses and the civilian families living in them.

What else but a contribution to disintegration is the constant use of our territory by American officials and exiled Iraqi opposition groups to plan terrorist operations in the towns and cities of Iraq? I can give the Minister chapter and verse about those meetings—who attended them and what they were discussing.

Does my hon. Friend know that those meetings contravene our law, which was rushed through the House last summer, whereby section 5 of the Criminal Justice (Terrorism and Conspiracy) Act 1998, makes it an offence to conspire on British soil to cause explosions, murder and other terrorist acts outside the United Kingdom? I should know, for I single-handedly blocked that law when it was first introduced in the House during the tenure of the previous Administration.

The Minister has a tiger by the tail with those organisations. What else but the break-up of Iraq is sought by the armed Kurdish factions, when they are not murdering each other? What else but the break-up of Iraq is sought by the Supreme Council of the Islamic Revolution, the army of fanatical Shias who wish to set up a pro-Iranian fundamentalist theocracy, if necessary in the south of Iraq? Or does the Minister believe that Iraq can be governed at the centre by Kurdish parties or by radical Shi'ism? What do Iraq's Sunni neighbours—some of our oldest and closest friends—think about that idea? Have we learned nothing from our sponsorship of those other holy warriors, Mr. bin Laden and his Afghan mujaheddin?

Finally, I turn to the recently announced British initiative in the Security Council and express the hope that the Minister can persuade me otherwise than that that is just another twist in perfidious Albion's policy towards Iraq, which intends to find another means of prolonging the agony. I hope that the Minister is not offended when I say that I cannot understand why we cannot support the French initiative, launched by our sister party—a fraternal Government and European ally. That initiative already has the support of a majority of the five permanent members of the Security Council. Our initiative only has the support of the USA—perhaps predictably. Will the Minister tell us what is wrong with the French draft? He well knows that it has the capacity to break the stalemate, while our draft—as he knows equally well—does not have that capacity, and has been rejected out of hand.

My hon. Friend the Minister has answered a parliamentary question from my hon. Friend the Member for Leyton and Wanstead (Mr. Cohen). Let me contradict that answer. During the past 48 hours, Tariq Aziz said that the French draft has real possibilities for the negotiation of a way out of that stalemate. That is contrary to the parliamentary answer that was released today. On the face of it, the British draft is worse than the existing governing resolution 687. Under resolution 687, the sanctions will be lifted in circumstances in which, in the British draft, they would only be suspended. Anyone who saw the US Government's treacherous betrayal of the recent Libyan deal, when they said that, notwithstanding the recent breakthrough, they would not lift their sanctions, will realise how that was regarded in the Arab world.

The draft imposes obligations on Iraq that were not even present in resolution 687, although it was, in effect, a draconian surrender treaty. Why? The burden of proof placed on Iraq in relation to weapons is more onerous than 687; in essence, it formalises what had, hitherto, been only the practice of requiring Iraq to prove a negative. Why? The British draft includes that hoary old myth—beloved of the "Missing in Action" Indo-China conspiracy theorists—the "Kuwaiti hostages". I have the internal discussion document in which the Government decided to change that formulation from prisoners of war because of the greater "emotional power" of the word hostages. However, whatever they are called, the Minister knows that Iraq says that it does not have them and that unknown soldiers die in every war. Again, the Minister is asking Iraq to prove a negative.

The British draft requires the "disclosure of information" rather than only the destruction of weapons, again knowing that that process can be strung out indefinitely, and that it will still leave us embroiled in the very stalemate that the Minister says he wants to break. Time does not allow me to probe this matter more deeply, but I hope that the Minister will consider this debate to be the start of a dialogue on those questions rather than the finish.

In conclusion, it is often sneered—sotto voce—that France is taking a more constructive role in the stalemate in order to further its national interest. Apart from the fact that that is a strange accusation—what are Governments for but to further their national interests?—and that it cannot be doubted that we have sacrificed mightily our own once pre-eminent position in Iraq, the Minister must know that Madeleine Albright was wrong, wrong, wrong when she said to Lesley Stahl on US television that all those dead Iraqi children constituted "a price worth paying". Any ethical dimension to our foreign policy requires us radically to think again.

10.39 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Geoffrey Hoon): My hon. Friend the Member for Glasgow, Kelvin (Mr. Galloway) has spoken at length, and with his usual passion, on the UN sanctions regime against Iraq. May I make it clear to him and to the House that the Government would be pleased to see sanctions lifted? However, as we all know, Iraq has so far made it impossible for that to happen.

To understand why sanctions are still in place today, we need to consider why they were originally imposed. Sanctions were imposed in response to Iraq's illegal and outrageous invasion of Kuwait. At the end of the Gulf war in 1991, Iraq accepted the terms of UN Security Council resolution 687—the ceasefire resolution. That resolution, and others implementing it, laid down obligations on Iraq

relating to a number of matters. They included the obligation to accept the destruction of its weapons of mass destruction under international supervision; to submit full details of locations, amounts and types of weaponry; to undertake not to use, develop, construct or acquire weapons of mass destruction in the future; and to co-operate with UNSCOM in carrying out those obligations.

That same resolution also set out the circumstances in which the Security Council would lift the sanctions regime. It provides that sanctions will be lifted following compliance by Iraq with its obligations relating to weapons of mass destruction and following review by the Security Council of Iraq's policies and practices, including its implementation of all relevant resolutions. Progress is entirely in Iraq's hands, but Iraq has persistently shirked its responsibilities and refused to comply with the very obligations it formally accepted under resolution 687. Perhaps, after eight years, it is easy to overlook the seriousness of those obligations and Iraq's failure to even come close to meeting them. Let me however remind the House of Iraq's appalling record.

On disarmament, the weapons inspectors were faced with persistent evasion, obstruction and mendacity on the part of Iraq. Iraq failed to provide an even remotely credible account of its biological weapons programme, and it failed to tell the truth about the production and weaponisation of the nerve agent VX. That is not a trivial debating point: VX causes death within minutes through nervous system disruption leading to respiratory failure—one drop of VX can kill.

I pay tribute to the weapons inspectors for their huge achievements in the face of Iraqi obduracy, but as the UN expert disarmament panel confirmed earlier this year, serious gaps still remain, especially in Iraq's declarations on chemical and biological weapons and ballistic missiles. Those are potentially horrific capabilities that threaten the security of the entire region. Iraq has already used chemical weapons extensively against Iran and against its own Kurdish civilians, at Halabja, in March 1998, attacking them with mustard gas and the nerve agent Tabun and killing thousands in the process.

Nor should we forget that more than 600 Kuwaitis and others detained by Iraq during the Gulf war are still unaccounted for. That represents about 0.1 per cent. of the Kuwaiti population: to us, the equivalent would be about 50,000 British citizens unaccounted for. Those are not "unknown soldiers", to use my hon. Friend's phrase. Almost all the Kuwaiti missing are civilians, some women and some elderly. To date, Iraq has provided sufficient information to close only three cases. Meanwhile, the families are left to suffer and grieve, not knowing the fate of their loved ones at the hands of the Iraqi regime.

My hon. Friend is right to be concerned about the humanitarian situation in Iraq—the Government are also concerned, but we reject the propaganda that seeks to hold the UN sanctions regime to blame. Let me remind my hon. Friend once again that food, medicines and goods for essential civilian needs are not prohibited under sanctions. That means that Iraq can and does import, for example, food, medicines, bandages, pencils, ambulances, chemotherapy drugs, educational materials, medical journals and school desks. Claims that the United Nations, or the United Kingdom itself, blocks those goods are nonsense.

Meanwhile, the Iraqi regime continues to refuse donations of humanitarian aid from third countries. While the Iraqi Government seek to exploit their people's suffering for their own propaganda purposes, the international community does what it can to protect the Iraqi people. The UN first put forward proposals for a humanitarian programme—the prototype for today's oil-for-food programme—in 1991. Iraq rejected them, despite complaints of severe humanitarian need. Faced with huge international pressure, Iraq eventually agreed to the oil-for-food programme in May 1996, but the start of the programme was delayed by seven months, until December 1996, while Iraq haggled over the terms of implementation.

Under the programme, Iraq is currently permitted to sell $5.3 billion worth of oil every six months to fund the purchase of humanitarian goods. In addition to the food and medicine I mentioned earlier, Iraq is also allowed to import spare parts, equipment and materials for use in the water and sanitation, education, agricultural and demining sectors. Subsequent resolutions also expanded the humanitarian programme to allow a certain amount of repair to the Iraqi civilian infrastructure and some upgrading of Iraq's oil infrastructure.

According to the most recent UN report on the implementation of oil for food, the UN humanitarian programme is making a real difference to the humanitarian situation in Iraq. However, for the Iraqi people to get the most out of the programme, the Iraqi Government must also play their part. Once again, Baghdad has refused to engage properly with the UN. Despite constant encouragement from the UN, the Government of Iraq refuse to make any efforts to prioritise properly what is purchased for the humanitarian programme, or to target the programme on the most vulnerable.

The UN special rapporteur on human rights in Iraq, Max van der Stoel, expressed concern in his February report that Iraq had not yet concluded contracts to the full value of available resources for the purchase of high protein biscuits or therapeutic milk. That was reinforced in April by a UN spokesman who said that Iraq was not ordering enough food for its malnourished children and pregnant women. Since late November, Iraq has submitted only two contracts for food, worth only $3 million, although it had been allocated $16 million for that purpose.

The UN special rapporteur further observed continuing problems with Iraqi distribution of goods. The available resources were not being channelled to the people in the southern governorates who were the worst off and in the greatest need. According to the latest UN reports, approximately £300 million worth of medical goods—more than half of all the medicines delivered to Iraq since the oil-for-food programme began in 1996—is still in warehouses awaiting distribution.

It is noticeable that oil for food has had a substantially greater impact on the humanitarian situation in northern Iraq where the Iraqi regime has no involvement in the implementation of the programme. In the north, for example, 92 per cent. of medical equipment procured by the United Nations agencies since the start of the programme has been distributed. According to the latest UN reports, general malnutrition there is decreasing.

[Mr. Geoffrey Hoon]

The suffering of the Iraqi people as a result of the tactics of the Iraqi Government contrasts sharply with the wealth and luxury that is enjoyed by Saddam Hussein and his regime. *Forbes* magazine recently estimated Saddam's net worth at some $6 billion, ranking him the sixth richest head of state in the world. Such wealth derives from years of exploitation, and lately from smuggling large quantities of oil products out of the country for illegal sale. Needless to say, the proceeds of those sales go straight to members of the regime, rather than to the people who need them most—hence our efforts to crack down on the trade. Instead of spending its money on humanitarian goods, the regime imports vast quantities of whisky and cigarettes—since 1 January, more than 5,000 cases of whisky and more than 53,000 cartons of cigarettes have been delivered to Iraq.

As well as our efforts at the UN to improve the humanitarian situation in Iraq, since 1991 we have donated around £100 million in aid—bilaterally and via the EU—making us one of the largest donors. Our current programme focuses on projects in water and sanitation, hospital rehabilitation, village rehabilitation, assistance to vulnerable groups and demining.

However, we also believe that it is in the interests of the UN, the Iraqi people and the rest of the middle east that Iraq make real progress towards compliance so that sanctions can be lifted. We have therefore been working in the Security Council to make that goal a real possibility.

In April, we and the Netherlands circulated a draft Security Council resolution, based on the findings of the three expert panels established by the council in January to consider disarmament and humanitarian and Kuwaiti issues. Our aim is that that draft will provide a basis for the Security Council to re-engage with Iraq and, if Iraq chooses, provide a way out of the present stalemate.

Mr. Harry Cohen (Leyton and Wanstead): Will my hon. Friend explain what is in it for Iraq if it accepts the United Kingdom resolution at the United Nations? From Iraq's perspective, the lifting of sanctions has been blocked repeatedly by the United States and the UK—and presumably it will continue to be blocked. Iraq has fought a war against what it views as an intrusive UNSCOM inspections regime, so why should the Iraqis allow it back? Is the UK's measure not just a spoiling motion designed to continue the present hostilities?

Mr. Hoon: That is not correct. Sanctions have not been lifted, because the Iraqi regime has not accepted the terms of the resolution. I explained that at the start of my speech. That is why the resolution was made and why the obligations placed upon Iraq. That would remain the case if the resolution that has been co-sponsored by the UK and the Netherlands were eventually accepted in the Security Council. The reality is that those obligations are on Iraq and they arise out of the invasion of Kuwait and the use and stockpiling of weapons of mass destruction.

The lifting of sanctions has been blocked because Iraq has refused consistently to comply with UN resolutions. We clearly hope that the resolution will be agreed in the UN, and we hope ultimately that Iraq will accept its terms. I say to my hon. Friend the Member for Kelvin that his description of the response to that resolution in the Security Council simply is not borne out by the facts. Several member states have already said that they share our view. They include Argentina, Brazil, Slovenia and, most importantly for the purposes of my hon. Friend's argument, Bahrain, which is the Arab representative on the Security Council. All have announced their co-sponsorship of the UK-Netherlands draft resolution.

I point out to my hon. Friends that the draft reminds Iraq of what it needs to do. It imposes no new demands on Iraq, and it addresses the call for the United Nations to do more about the humanitarian situation. It is a reminder that Iraq can enable progress to be made on lifting sanctions whenever it chooses to change its approach. If it rejects that opportunity again, Baghdad's priorities will be clearer than ever. It is open to Iraq to have sanctions lifted whenever it chooses to do so; it simply has to accept its obligations in the United Nations.

Question put and agreed to.

Adjourned accordingly at five minutes to Eleven o'clock.

House of Commons

Wednesday 30 June 1999

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Pensions

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Mike Hall.]*

9.33 am

Mr. Steve Webb (Northavon): As I look around the Chamber, I see several hon. Members who obviously spent substantial parts of their childhood playing "Monopoly". They will recall landing on "community chest" and hoping either to get a "Get out of jail free" card or, failing that, a card that says, "Your annuity has matured, collect £100"—that was in the days when £100 was worth something. When I used to play Monopoly, neither I nor any of my fellow players had a clue what an annuity was—and, in some respects, not a lot has changed. Yet *The Observer* newspaper recently pointed out that annuities are no longer something that appear only in Jane Austen novels but have replaced house prices as a topic of dinner party conversations in certain circles.

How has that come to pass? I suspect that I am not the only hon. Member who has received a growing number of letters from constituents who are concerned about the annuities problem. They are worried about low annuity rates and about being forced to buy an annuity at age 75. One example is my constituent from Thornbury, who is in his early 60s. He wrote to say that he had a self-invested pension plan from which he was drawing income in the manner allowed by the Inland Revenue up to the limits, leaving the capital largely intact. My constituent was concerned that, in a decade—the people of Thornbury are very far-sighted—he might be forced to buy an annuity with that pension pot, which would result in the loss of all his capital and leave him with a relatively poor pension. He writes:

"it seems unjust that I will be compelled to buy this annuity, lose my capital sum, and yet receive no additional income."

What are we to make of this issue? I am a simple man and, in my simple way of looking at the world, I like to divide it into the good guys and the bad guys—it makes life an awful lot easier. When I approached the annuities issue for the first time, it occurred to me that the chances were that Her Majesty's Government were the bad guys. That is a fairly safe working assumption.

In this context, what makes the Government the bad guys on first examination is that they force people at age 75, against their will, to convert their personal pension pot or similar into an annuity. Why is that a problem? It is well known that annuity rates are now relatively low—certainly compared with their level at the start of the decade. At the beginning of the 1990s, annuity rates were about double their present value. That obviously means that the pension that one can buy with a given personal pension pot is substantially less than it was in nominal terms. One could point out that the stock market has done relatively well during the same period and that therefore the pension pot would have grown. That would partly offset the difference—but only partly. There is a general perception among people in their 60s and early 70s that they are being forced to buy a product that will yield a relatively poor pension and cause the loss of all their capital.

Why is there a problem with forcing people into annuities at age 75? A typical strategy for money in a pension pot is that it begins life invested in high-risk, high-return, or middling-risk, high-return assets such as the stock market. Towards the end of one's working life, it is shifted into lower-risk assets such as gilts. When one converts to an annuity, for the rest of one's life, one buys a product that is backed by gilts—which are very low-risk but low-return assets. If one does not take out a pension particularly early in life, one could find that half the time one's money is invested in shares and the other half it is invested in low-yielding gilts. It is far from easy to see how, in a rational world, that is a sensible way to invest pension assets. It is difficult to see why, over a lifetime, one would want to invest half the time in low-risk, low-yield gilts. That is not a rational strategy.

Sir Robert Smith (West Aberdeenshire and Kincardine): That problem will not go away because, if the strategy of containing inflation is successful, gilts will continue to be low yield.

Mr. Webb: My hon. Friend is quite right: nominal yields will continue to be very low—although there is obviously a problem with perception. We have yet to generate a low-inflation culture. We recall that inflation rates were 10 per cent. at the beginning of the decade and I remember when inflation rates were 25 per cent. under the previous Labour Government. Against that background, nominal rates matter to people's perceptions of whether they are getting a good deal. Stable inflation over a long period would clearly be welcome. I am grateful to my hon. Friend for that intervention as I was about to turn to inflation.

As well as low annuity rates, a second reason for concern is the effect of inflation on people's incomes when they buy annuities. There are annuity products containing escalation that take some account of future inflation. When surveyed before retirement, most people tend to say, "Yes, I would probably get an annuity with some sort of indexation; I would not want my income to be eroded". However, that is not what people actually do because four out of five of them buy level annuities. In other words, they see how much less they would get in the first year and in the next few years if they bought an indexed annuity and say, "Hang on a minute, I would rather have 75 per cent. more in the first year and I'll take a gamble on inflation". While, in theory, one might think that indexed annuities are a good thing, in practice, most people do not buy them. Therefore, we are forcing people to buy a product that is likely to be eroded by inflation.

Inflation of only 3 per cent. for a decade would knock a quarter off a pensioner's real income. That means that as people get older—as they reach 80 or more—their living standards may fall dramatically. That issue will be

[Mr. Webb]

increasingly important as the Government force people who buy stakeholder pensions to convert them into annuities and as more occupational schemes move towards defined contributions. That is why I initiated this debate.

As well as low annuity rates and the effects of inflation, a concern about forcing people to buy annuities is the inevitable loss of capital. When I first heard that argument, I thought that people wanted to have their cake and eat it. I thought that they were saying, "I'd like a pension—probably the same pension that I would have got anyway—and I want to keep all my capital." That seemed to be rather like saying to a car insurance company, "I'll buy my car insurance and if, after 10 years, I haven't claimed, I'd like my premiums back." Clearly, that would be unacceptable, but people are not saying that. They want a blend of a particular level of pension income and a particular level of preservation of capital. They have saved for their old age and taken the view that they might sacrifice part of their pension income now to preserve some of their capital to pass on to their children.

In principle, there is no reason why we should not allow pensioners to do that, subject to tax and other considerations to which I shall turn in a moment. In principle, there is no reason why we should want to force pensioners to sacrifice all their capital at the age of 75 if they were prepared to forgo some of their pension income in return for keeping part of their capital. On the face of it, therefore, the Government are the bad guys because they have removed from people, or are not allowing them, a choice at the age of 75. That choice will not, by any means, be appropriate for all pensioners, but it is appropriate for growing numbers of them.

I have read the report of the proceedings of the Standing Committees that considered the Welfare Reform and Pensions Bill and the Finance Bill, and this issue was discussed twice. The Government rest their defence for the age-75 limit—which seems somewhat arbitrary—on two main arguments. First, the dreaded Inland Revenue wants its slice of the cake. The argument is that if people were allowed to keep their money in the pension pot, they might inconveniently die, so they would never get their annuity and the Inland Revenue would never get the tax.

That concern is unfounded. If people who have begun to draw down income from their pension pot die, their spouse or dependant can convert the pension into an annuity that can be taxed anyway. If that is not the case, a special 35 per cent. tax rate will apply to those funds. I suspect that 35 per cent. is much higher than the rate that the Revenue would typically receive from an annuity, so it might receive more money if a few more people popped their clogs before they took out annuities.

If draw-down has begun, tax is not a problem. The only problem seems to arise if draw-down has not begun and the pension pot has not been touched. There is no reason why the law should not state that at 75, or another age, people should take out an annuity or begin draw-down. It is not beyond the wit of the Inland Revenue to ensure that it gets its tax take, while preserving choice for pensioners.

The Inland Revenue objection does not stand, but there is one closer to home for the Minister—a Department of Social Security objection, which is that pensioners might spend, spend, spend and blow the pot on riotous living. That might be welcomed, but the concern is that they would leave themselves in penury and throw themselves on the mercy of the stony-faced DSS.

I am not entirely convinced by that line of reasoning. First, as the Minister knows, there are strict Government rules on the amount that can be drawn down from a pot. There are clear limits on that, and one cannot simply blow a fund in one go. If we consider the sort of funds that we are discussing, we realise that draw-down will be appropriate only in larger funds. Some say that it would be suitable only in funds of over £100,000 and others say that £250,000 and over would be a suitable size. The idea that someone would blow £250,000 from a pension pot and then throw themselves on the delightful mercies of income support is pretty far fetched.

Secondly, there is no reason why there should not be further constraints on draw-down if the age limit of 75 were to be raised. Stewart Ritchie of Scottish Equitable, who is a member of the Government's pension provision group, has suggested that at age 76 or 77 there could be a slightly tighter limit. Instead of being the total amount that one could draw from a similar annuity, the limit could be a percentage of that figure. Obviously—I borrow Mr. Ritchie's example—we do not want to allow people aged 100, whose life expectancy is one year, to blow the entire pot, lest they inconveniently live to be 101. A safeguard is necessary, and that could be ratcheted in, but there is no reason for an absolute cut-off at age 75.

The final reason why the "people will just rely on the state" argument is not convincing is that most pensioners, particularly those who have carefully invested—such as my constituent, who has invested his money himself—are not about to go to the Ritz or Monte Carlo to blow all their money. They are very cautious, and they are motivated by the desire to pass on money to their children. The idea that they would spend all their money and throw themselves on the mercy of the state is implausible.

It seems that there could be little objection to allowing greater flexibility at age 75. A choice could be allowed between the purchase of an annuity and the commencement or continuation of draw-down, subject to certain restrictions.

I want to draw the attention of the House to another group of people who may also, in some sense, be the bad guys in this story—those who sell the income draw-down policies. They have not done themselves any favours in recent years. The early evidence on those policies reveals that tighter controls on the charges and conduct of those companies might be needed to go hand in hand with the reform of the age-75 threshold that I have already suggested.

This morning's *Daily Mail* contains a salutary warning about the possible mis-selling of income draw-down policies. It says that for two thirds of a sample of the 50,000 policies sold, there appears to be little documentation demonstrating why the policy was recommended. The Personal Investment Authority suspects that such a lack of documentation is often a proxy for mis-selling.

Mr. Howard Flight (Arundel and South Downs): Is the hon. Gentleman aware that some companies will not allow draw-down recipients to change investment manager once they have started draw-down, which is surely outrageous in the present climate?

Mr. Webb: The hon. Gentleman, who is very learned on these matters, and to whose contribution I look

forward, makes an important point about the regulatory framework within which the policies operate. There is considerable concern about that.

To give the House an example, the market leader in draw-down policies has produced statistics for them. Three years after the policies are taken out, they have to be reviewed to establish whether the pot is running down too quickly, in which case the amount being withdrawn has to be cut, or vice versa. The policies were introduced fairly recently, so we are starting to see the first round of three-yearly reviews. The alarming statistic is that one in three customers of the market leader whose policies have been reviewed since 1 January have had to accept cuts in their income. The average nominal drop is 20 per cent., which is substantial, because one must add on 10 per cent. of inflation over three years. People who have large pots can, it is hoped, cope with such fluctuation, but it is of concern to people whose income is borderline.

What has been the problem with those draw-down policies? Why has income from them fallen considerably? I shall briefly explain the three main reasons. The first, as I said earlier, is the fall in annuity rates, which are now substantially lower than they were three years ago, so the amount of money that people can get from an annuity based on a given pot will have fallen. In other words, if people had bought an annuity three years ago, they would have a higher lifetime pension than they do, because of the fall in annuity rates. Obviously, the converse would be true if annuity rates were rising, but the prospects of a significant rise are not particularly bright, so that problem may be with us for some time.

The second reason why many people are experiencing a fall in their income from draw-down policies is what is catchily known in the trade as mortality drag. If 63-year-olds have bought an annuity at age 60, the annuity provider will not have been sure that they will live to 63. Some people will have died at 61 or 62, and will have given the provider profit, allowing the company to put a little extra money into the annuity. If the annuity is recalculated for purchase at age 63, people have given away the fact that they lived for the preceding three years, so the annuity company considers them a worse risk and the annuity rate would be lower. That tends to reduce the amount that people can get from draw-down policies.

Charges are the third reason why some policies are not yielding good results, and this issue is of considerable concern. Moreover, if an income is drawn from the pot and the balance of the pot is then used for investment, that must battle against falling annuity rates, against mortality drag and against the fact that a big chunk of the money will be taken in charges. Against that background, unless the money is invested very well and the stock market does well, there is a risk—as the one in three people who took out draw-down policies three years ago and who now face a fall in their pension found out—of a fall in income.

I mention that situation to remind the House that income draw-down is not a one-way bet and may not be suitable for many pensioners with relatively modest pots. None the less, my judgment is that we should give pensioners—especially those with large pension pots, who may be more financially sophisticated—a choice. We need to tighten the regulation, but I am aware of no reason for allowing people draw-down for 10 years—during which all these problems can occur—and then suddenly, when they reach of 75, telling them that we cannot allow it any more. That is an arbitrary cut-off point, and there are easy ways around the problems that I have cited.

In conclusion, I repeat my call for the Minister to introduce greater flexibility into pensioners' choices at the age of 75. I believe that pensioners should be given a choice, and that the arguments about possible loss of tax revenue or increased benefit expenditure do not stand up. However—this is an important caveat—I also believe that investors need to be protected, and that the regulation of draw-down schemes needs urgent attention. If the Minister will promise to do both those things, he may convince me that he is, after all, one of the good guys.

9.51 am

Dr. Vincent Cable (Twickenham): I congratulate my hon. Friend the Member for Northavon (Mr. Webb) on presenting this important subject for debate and on the clarity with which he dissects even the most arcane problem. The problem of pension policy and annuities is especially arcane.

About three months ago, I submitted a written question to the Treasury, asking when it proposed to revisit the regulation—I believe of 1921—that makes annuities obligatory. The answer that I received had the tone of lofty condescension and complacency that we have come to expect from the Treasury at its worst. That provoked me into looking into the problem of pension policy.

I want to emphasise the scale and extent of the problem. There are probably about 5 million potential annuitants. That very large number includes not only the personal pension holders that my hon. Friend the Member for Northavon mentioned, but a large number of people in defined contribution occupational pension schemes, many of which are linked to annuities—often with very little choice—and people who have made additional voluntary contributions. In terms of numbers, the problem is extensive.

The scale of the problem in terms of its impact on individual pensioners also needs to be emphasised. Figures recently reproduced by the Library showed that, for a 65-year old pensioner with a pension fund of about £100,000, the annuity value had collapsed from about £11,000 in 1990 to £5,500 today.

In many senses, the problem is getting worse, for two reasons. First, as my hon. Friend the Member for Northavon has described, it is getting worse as a result of trends in the gilts market. It may be assumed that gilt rates are at an all-time low, but that is almost certainly not the case. Various factors are continuing to drive down gilt yields. If we succeed in joining economic and monetary union in a few years' time, one of the effects will be to push down the long-term cost of capital—that is one of the reasons for doing it. Long-term German bond rates are even lower than our gilt yields. That will be a factor pushing down our gilt yields even further. Barclays Capital recently did some long-term projections, which suggest that gilt yields could go as low as 2 per cent. Powerful economic forces are pushing down gilt yields, and therefore annuity rates, even further.

Another factor working in the same direction is the fact that actuaries are constantly taking into account revised assessments of life expectancy. As individuals, we may be able to get our revenge on the actuaries by living

[Dr. Vincent Cable]

longer than we are expected to, but collectively, by definition, we cannot. The impact of that is necessarily to drive down annuity values.

I want to make a fundamental point on policy. Quite apart from the complexity of the matter and the impact of low annuities on individual pensioners, an important issue of principle is involved. It is a simple libertarian issue about whether people should have the freedom to make choices about how they manage their own personal finance. In this country, we have a tradition that is extraordinarily paternalistic and illiberal.

I quote from an 1888 report on which, I believe, the Government still draw heavily, which defined the basis on which state pensions should be dealt with in the 19th century. It argued against paying lump sums to pensioners as opposed to supplying a steady income stream. That report, written 110 years ago, said:

"The payment . . . of a lump sum is open to the obvious objection that in the event of improvidence or misfortune . . . the retired public servant may be reduced to circumstances which might lead to his being an applicant for public or private charity".

That is exactly the attitude that prevails today, except that for "public or private charity" one should read "income support". We fundamentally object to that paternalistic, illiberal view of personal finance, regardless of the specific circumstances of many of our constituents.

Let me summarise what appear to be the central objections to annuity payments—at least in the rigid framework in which they operate today—from the pensioner's standpoint. There is an advantage to others—notably the Inland Revenue, which has a steady stream of income to tax—but the disadvantages are essentially four.

First, as my hon. Friend explained at length, in practice most annuities are level annuities, so the pensioner is exposed to inflation risk. Inflation prospects currently look extremely good, but it requires only a fairly plausible set of circumstances, such as a collapse in the value of the pound, to take inflation back up to levels at which the value of such annuities is substantially eroded.

Secondly, in present circumstances, annuities represent an extremely bad deal. People get a return of roughly 4.5 per cent. when they could be getting 8 per cent. in building societies, or 15.5 per cent. if the private companies were able to deliver the return that they are promising. It is an extremely bad deal in relation to what those companies claim they can earn in the market.

Thirdly, conversion into an annuity involves handing over wealth. That issue has been covered at length.

A fourth point, which I believe my hon. Friend, in his other capacity as our social security spokesman, would usually emphasise, is that low annuity rates are an enormous deterrent to the Government's long-term policy on pensions. The Government are trying to promote the idea of stakeholder pensions. They have not gone for compulsion, so they depend on psychology and motivation, and yet they are doing so in a context in which anyone thinking ahead and looking at the way in which their pension policy will play out will be enormously discouraged from pursuing it.

We are not simply talking about the disadvantages of annuities as they operate at present. There are alternatives in the market—some of which my hon. Friend has described—but they need to be balanced against the costs. Draw-down schemes, or schemes with built-in equity elements, have commission costs. Above all, there are risks if one wants to pursue a high-return option to an annuity. However, the fundamental point is that individuals should be able to make that choice for themselves. That is the essence of this debate. There are alternatives in the market. The industry is sophisticated; it can provide them, especially now that, with the advent of the Financial Services Authority, its products will be regulated. Individuals should be able to make the choice for themselves.

I read from the report of an earlier debate that the Economic Secretary is promising a review of the problem. The results are expected in the autumn; we look forward to them. We look forward to much greater flexibility than the Government have demonstrated in the past. If the Government could unpick some of the rigidity and paternalism that have characterised British policy on pensions for the best part of a century, they would do us all a considerable favour.

9.59 am

Mr. Howard Flight (Arundel and South Downs): I have great sympathy with the Minister, who will have to defend arguments of 30 or 100 years ago which the hon. Members for Northavon (Mr. Webb) and for Twickenham (Dr. Cable) have described as out of date and paternalistic.

I wish to cover some separate ground in the overall territory. My original focus was on my perception that there will be a massive growth in the volume and proportion of money-purchase pensions over the next decade or so. That is already in train. Companies are moving from personal pensions to occupational defined contribution schemes, and we now have the stakeholder scheme. It is likely that, within 10 years, the proportion of pensions that are not in a final-salary type of scheme will be the majority. No one seems to have thought about how these savings of money will convert into pensions. There is the assumption that annuities were always the way and that that must be the right way of doing things.

Final-salary schemes have been one of the great successes in delivering pensions over the past 20 or 30 years. Such schemes do not have all their money invested in gilts. They have the maximum spread internationally, with about 80 per cent. or more in equities. They pay pensions out of that rolling pot of money. That is why pensions have been so successful in this country, and why about £800 billion was accumulated during the 18 years of the Conservative Government. If the schemes had been forced to invest in gilts, which is what annuities do, the accumulated total might have been a third of £800 billion, with the result that final-salary schemes would have been unable to afford to pay the improved pensions that they are now paying.

That told me that it must be wrong to put such a great deal of money into fixed-interest investment because of archaic rules when people are likely to have a pension for 20 years or more. Despite the success in reducing inflation, that must be wrong from an investment point of view. People who retire at 65 are likely to live to 85, and many who retire at 65 are forced to buy annuities, depending on the scheme to which they belong. I have in mind especially certain schemes for professionals. Even

people living to 75 may have widowed spouses who continue to live for 20 or 25 years. The trustees of any final-salary scheme would say that it would be grossly irresponsible to invest in fixed interest to such an extent.

A second area within this territory can be described as incompatibility. If, as a country, we are to have a roughly balanced budget, self-evidently the net new supply of gilts will be zero. If we are to have a huge and rising pool of money-purchase pension schemes that are obliged to buy gilts, it is simple to see what will happen in that supply-demand situation. Real yields will be driven down even further. Indeed, to some extent, that has already happened over the past two or three years.

The Pensions Act 1995 resulted in an increased pension fund demand for gilts, particularly on the part of mature pension schemes, as a result of safety arguments. As a consequence, the net supply of gilts has been very modest. Real yields have been about 2 per cent., against an average over the past 30 years of about 3.5 per cent. One of the arguments in the equation is that people's pots of money have increased in value because equity markets have performed well and interest rates have been low so that everything washes out. That does not happen, however, when there is a fall in real yields.

Unless there is much more flexible investment in money-purchase pensions for the future, the situation will stay as I have described it—and, indeed, worsen. The more virtuous the Chancellor of the Exchequer becomes in achieving his so-called prudence and a balanced budget, the lower will be the pensions that people will be able to buy with their savings if they are still stuck with having to buy fixed-interest annuities.

There is another immediate problem on which I have focused. I thought that it was well described in a talk given by the Governor of the Bank of England last week. The Governor pointed out that inflation in this country—as in America—is in a sense artificially low because of the financial problems of the emerging economies and the depreciation of their currencies. Mature economies are in a sense importing about 1 to 1.5 per cent. deflation as a result. That is mixing with about 3 to 4 per cent. domestic inflation and we are coming out with inflation at about 2.5 per cent.

The imported deflation will be transient and there is a strong argument that the real underlying rate of inflation in mature economies will be 1 to 1.5 per cent. higher. What is the level of inflation that long gilts are forecasting? It is about 2 per cent. or less if we take 5 per cent. long gilt yields, which take off at 3.5 per cent., which should be the long-term real rate of interest. The assumption is that inflation will stay at about the present level and the sort of level predicted by the gilt market, which is extremely low. As the emerging economies catch up, and unless there are tight countervailing policies, western inflation will be somewhat higher than it is now.

In a way, people are being mis-sold, especially if they are buying non-inflation-indexed gilt annuities. They are buying a flow of income that apparently is expected to depreciate at only 1.5 to 2 per cent. per annum, but which is highly likely to depreciate by 2 to 3 per cent. per annum, all things being equal.

There is a problem at both ends of the scale. The dinner party conversation aspect, to which the hon. Member for Northavon alluded, is self-evident. I received a fascinating letter from one of my constituents, who has been one of the pioneers of high-tech venture capital investment. He wrote along these lines: "Over the past 20 years, I have pulled together all my friends and a good bit of our self-administered pension funds have been invested in high-tech companies. They have done incredibly well and there is a huge amount in our pension pots. It seems ridiculous that now we are coming up to 75—we are still keen to continue investing in this way, thereby creating jobs—we must tip the whole lot into annuities. At the very least we should be obliged to tip into annuities only the minimum to keep us off the state in future." That argument, as advanced by those who have generously provided for their pensions, is irresistible and unanswerable.

There is a powerful argument at the other end of the spectrum, which applies particularly to women. I hope that the Government will pay due heed to the report that is to be produced by Oonagh McDonald's committee. It is being worked on. There are hundreds of thousands of people with small money-purchase pension accumulations of £40,000 or £50,000. Many of these people are cautious and responsible women who have worked part-time. It is interesting that most of the people living in West Sussex—it is allegedly a prosperous part of the world—who have written to me are in that category. They to me along these lines: "It is unjust. I have struggled to put £50,000 in my money-purchase pension scheme. I shall be forced to buy an annuity with it and to chuck the capital away." They know that they can often get better running returns merely by investing in, for example, a portfolio of high-yield and corporate bonds. The returns from an annuity will be pretty poor and people are offended about losing their capital.

I am persuaded by Oonagh McDonald's view that, for people in that category, the paternalistic 19th-century argument about keeping them off the shoulders of the state is not worth anything. They are likely to do much better with their £40,000 elsewhere. If there were any chance of their relying on the state, they would be relying on it already. They are being treated like those who were threatened with the workhouse about 100 years ago. There is a strong case for a liberal attitude towards modest pension fund accumulations.

Mr. Webb: May I raise another issue relating to annuities that we have not covered? I should be grateful for the hon. Gentleman's views on the open market option. My concern is that a lot of people who build up a pension pot do not grasp the fact that they can buy someone else's annuity. They could suffer significant losses. Does he think that the regulation of that area is adequate?

Mr. Flight: The hon. Gentleman is absolutely correct and—at a tangent—another territory is relevant. When individuals surrender any form of insurance policy, there is no obligation to tell them that they could sell it for a sum significantly larger than that for which they could cash it in. It is desirable, would be relatively simple and no great regulatory burden, for people to be obliged to be told that they could sell any insurance policy, rather than cashing it in with the insurance company.

One answer to the conundrum is to make available annuities with more flexibility, such as equity-linked, variable draw-down and term annuities. America presents an interesting range of choice, and South Africa presents

[Mr. Flight]

an even more interesting range. Ironically, South Africa's thinking is in advance of ours—it was much prompted by the trade unions, which objected strongly to their members being locked into financing the state. That is what having to buy an annuity amounts to. They rightly saw that pension accumulation offered, particularly for black Africans, a chance of a little economic freedom in accumulating their capital. Therefore, South Africa has a much more rational, flexible scheme.

People who buy an equity-linked indexed annuity are affected by a devious and unpleasant Inland Revenue rule, the effect of which is that they do not get the full benefit if such annuities do well. The Revenue says to insurance companies, "Keep the rest as a windfall profit." The gist of how the rule operates is that the Revenue correctly says that companies must allow for equity returns to fluctuate—they cannot take everything that is made in one year. However, if the bad years are not bad enough and the reserves do not get used up, people do not get the full benefit of what their annuity makes beyond what the companies are allowed to take. Not surprisingly, equity-linked annuities are not terribly popular and I am amazed at how clever and perceptive my constituents are. I pay tribute to them: they know of all those wrinkles and they have taught me a great deal that I did not know about this territory merely by raising all those points with me.

I utterly support the points that were made about the need for thorough review, more competitiveness and better regulation of draw-down alternatives. We have all been told that the Revenue is conducting a review of draw-down arrangements. I hope that it is wide ranging, because it should deal not only with the fancy formulas relating back to how much people can draw, but with the regulatory regime. I was amazed to find that, once people have taken a draw-down at 65, they cannot change the fund manager for 10 years. That is utterly against the spirit of the Government's stakeholder pension proposals and is quite inappropriate.

I do not know their validity, but I note that surveys show that about 98 per cent. of people approaching 75 who are required to purchase annuities seem to be unhappy about that. That issue came on to the screen in a modest way, but is now important. I suggest that citizens understand the problems and that forcing people into relying wholly on fixed-income securities for 10 or 15 years of retirement when long gilt yields have fallen below 5 per cent. and inflation is artificially low is a bad risk-return mix, even though their pots may have benefited a little from that. They know that that is not a wise use of their pension savings and they are becoming increasingly annoyed that they have to do it.

For the reasons outlined by the hon. Member for Northavon, I think that the Revenue and the Department of Social Security have been extremely reactionary. I consider the Revenue's arguments to be completely bogus. It will probably get more tax under draw-down; if the investments do that much better and if the income averages more than that under an annuity over the period of retirement, it will get the tax on that and on the lump sum at the end. It is likely to do better as a result of more flexibility.

If the Revenue argues that the timing of the cash flow is painful, the 35 per cent. tax on any sum that is left over could be increased to 40 per cent. That would not make much difference. If there is a statistical cash flow argument, it can be addressed. Whenever I read its arguments I think of Messrs Slow and Bideawhile because they represent bureaucratic obfuscation and thinking that comes from the 1920s, not from today. There has to be one or other method for the Revenue to satisfy itself that it is getting its fair tax take.

Another great argument is cited: "Ah, but we must do everything to make sure that people do not blow it all and then come on the state. People are living much longer." My response is twofold. First, if the Labour Government feel so strongly about that, it is rather strange that they have put in place a massive incentive for people not to save, not to accumulate pensions and to become dependent on the state. The pension top-up, with its link to earnings rather than to inflation, is a generous incentive to come on to the state for people who have either managed to avoid getting locked into a pension scheme or have done the very minimum. It is strange that the Government are providing a huge incentive to do something that they describe as profligate.

Secondly, we should look at behaviour. Any Member of Parliament with parents knows that people become more and more cautious with their money as they get older. Often, the problem is getting relatives to spend their money and have a decent standard of living. I have never seen a profligate 79-year-old burning up the town. I am sure that there must be one or two, but it is entirely false and unrealistic to assert that all those people over 75 will blow the lot as soon as they get the green light. Under present draw-down arrangements, they cannot do that.

I am increasingly coming to the view that even draw-down arrangements should be more flexible and more liberal. South Africa has providence scheme pension arrangements. People get their money and they can do what they want with it. Interestingly, most buy flexible equity-linked annuities, because all the administration is done for them, and time-termed annuities, which are still a useful instrument. There is no evidence, even in a country with a much lower standard of education than ours, that the money gets blown. South Africa has put in place a modest state old-age pension for those who have no other provision, so it has the moral hazard issue about which the Government—I think somewhat bogusly—are so concerned.

There is a big issue to be addressed, purely from the angles that I referred to at the beginning of my speech. If nothing is done, and if we still have a balanced budget, a huge and growing volume of people with money-purchase pensions will be condemned to buying gilt-based annuities. That will give them a very poor deal. Real yields will be extremely low and no pension fund manager would argue that the risk-reward mix was right. We need imaginative, radical thinking about restructuring the whole area.

I very much hope that the investigation by the Revenue, which the Government are using as a stalling mechanism to avoid answering the questions, will not be a pathetic fudge and a minor change to the draw-down regime. What is required here is a radical, rational reform based on what works in America, parts of Asia and other parts of the world. Pressure for that reform is coming from voters of all political shades. I believe that the Minister has had many letters from his constituents, so he knows how people feel about this matter. It should not be a

cross-party issue; it is something that the people of our country want, and I hope that the Government will get a move on with it.

10.20 am

Sir Robert Smith (West Aberdeenshire and Kincardine): I echo what the hon. Member for Arundel and South Downs (Mr. Flight) said: the review should be wide ranging and constructive. In introducing the debate, my hon. Friend the Member for Northavon (Mr. Webb) talked about the Government being the bad guy. I think that he meant Government with a capital G—

Mr. Webb: No.

Sir Robert Smith: Well, perhaps the bad guy does not yet have a political label, but the political label will stick to the bad guy if the Government do not produce something constructive and far reaching out of the review.

I thank my hon. Friend the Member for securing this useful debate. The three speeches that we have heard so far will help me to explain the matter to my constituents and to help them see that there is a way forward. All three of the previous speakers hinted to the Government that they can proceed constructively by recognising that the elderly are not profligate and want to make effective provision for their retirement. The Government must realise that the nearer people get to retirement, the more nervous and cautious they become about their financial position. Although this problem may not arise until they reach the age of 75, people who are only approaching retirement phone me up in my constituency surgery because they read in the papers that financial analysis shows that the problem will not go away.

The gilt market is changing. As the hon. Member for Arundel and South Downs said, it could change even more dramatically if the Government achieve their claimed economic objective. That worry hangs over people. They should be able to relax and enjoy their retirement, having made reasonable financial provision, but, instead, they are uncertain about their future. An extremely strict set of rules is making it difficult for people to see how they can proceed in a flexible way. I hope that the Minister understands that concern and accepts the need to tackle the problem.

I have always worried when I see new products or new tax systems being introduced to encourage people down certain savings routes. New products are marketed effectively in terms of attracting people down certain tax routes to encourage them to save, but if one does the arithmetic, one finds that charges eat up most of that benefit. Moreover, by tempting people into various ways to save, one distorts the market. As has already been said, much of what should go to savers is taken away in fees, which are hidden in the whole investment structure. Thus, clarity and information are needed, as was said in Monday's debate on the regulation of the financial services industry.

As my hon. Friend the Member for Northavon said in an intervention on the hon. Member for Arundel and South Downs, we must ensure that people are informed about their right to sell insurance policies rather than cash them in. Apparently, there is a requirement that information should be provided, but it is not provided in a way that gets through to people. Many people make extremely bad financial decisions and one sometimes wonders why they ever considered them in the first place, yet they do so in their droves. Therefore, the market is clearly not working efficiently and effectively. As other hon. Members have said, products need to be competitive and people need to know that they can switch supplier, which is an effective way of ensuring a better return on an investment.

The Government must accept that this is not a temporary problem. They must also accept that the new structure of the economy that they have created means that we need new solutions. Even inflation at 1.5 to 2 per cent. amounts to a lot of inflation over someone's lifetime. In planning for their future, people must take into account the fact that investments are eaten away even by low inflation.

The purpose of this debate was to encourage the Government to look at the review and see that it is wide ranging. It is a real problem for many investors, but the potential for solutions exists.

Mr. Webb: My hon. Friend mentioned the effect of inflation. Will he reflect on the fact that, at 2 or 3 per cent. inflation, after a decade, people's investments are down by a quarter? If people retire at 60 and live to 80 and beyond, the oldest pensioners will be by far the poorest. Does my hon. Friend think that any policy implications follow from that?

Sir Robert Smith: The Minister will recognise that Liberal Democrat policy is immediately to tackle the problem of pensions for the elderly by providing a narrowly targeted benefit. Given the historical provisions that were made, the oldest pensioners are the poorest. By tackling that problem now, the Government could provide immediate relief for those who cannot provide a solution for themselves—they cannot go back and rearrange their financial affairs.

When constituents first brought this problem to my attention, they wondered whether there was a magic solution somewhere in Europe, which has had a culture of low inflation. Before this debate, I was discussing with colleagues whether they would welcome a helpful intervention suggesting that we look in that direction. I was advised that pensions provision in Europe is a bit of a scandal—

Mr. Flight: Like everything else.

Sir Robert Smith: I would not go quite as far as that.

In Europe, the unfunded state system has provided people with a security blanket and they have not needed to get involved with products that deal with a low-inflation market with long-term benefits for pensioners.

This debate has given the Minister some useful meat from which to come up with some effective solutions. If he does not do so, the "bad guy" label will stick to the Government.

10.27 am

Mr. Michael Trend (Windsor): First, I congratulate the hon. Member for Northavon (Mr. Webb) on securing the debate. It is clear, however, that the Liberal Democrat party has seen the bandwagon roll past it in the past few weeks and it is making a desperate scramble to board it.

[Mr. Michael Trend]

The campaign to scrap the compulsory purchase of annuities has been driven by the Conservatives, particularly my hon. Friend the Member for Arundel and South Downs (Mr. Flight), who spoke so well today. It is our clear view that the requirement to buy an annuity at the age of 75 should be abolished.

Sir Robert Smith: The hon. Gentleman should be careful when talking about bandwagons. The Liberal Democrat bandwagon in this debate consists of three Members, whereas the Conservative bandwagon consists of only two.

Mr. Trend: I do not need to remind the House that this is a Liberal Democrat debate. I notice that no Labour Member has spoken—let alone spoken with enthusiasm—in the Minister's welfare reform week, which is supposed to be so important but which is going like a damp squib.

The Government should act without delay because, with every day that passes, large numbers of people who have worked hard all their lives to save for their old age are seeing their efforts cast back in their faces. We are told that the Government have asked the Inland Revenue to consider the matter, but the Government cannot continue to hide behind such obvious delaying tactics. The growing sense of unfairness with the current compulsory system has been looming on the radar ever since the Government came to power. The fact that people are now really hurting and are complaining vociferously to their Members of Parliament about their predicament shows that the Government have already left it too late to make an appropriate change to the law. They must act now.

May I give the House a flavour of the sort of correspondence that Members of Parliament are receiving? One person has written:

"I have saved long and hard so that I would not suffer financially in my dotage and the value of my pension pot is worth even more than the value of my house. I resent very much now that I made this great effort only to find that, even with the addition of my state pension, I still fall short of the amount that is considered to give one an adequate lifestyle in retirement. . . . It is unacceptable to have absolutely no control over what is probably the largest amount of money that most people will have in their lifetime at a time when it is giving the lowest return."

We have heard many arguments about taxation. There are various ways in which the Revenue and the clever people at the Treasury could work out a compensating scheme for the Government. It has been suggested that people could be required to keep in a conventional annuity enough to cover at least the level of the minimum income guarantee. There must be dozens of other ways of achieving the aim, but my correspondent says:

"I would be quite willing to pay a lump sum to the Government equal to the income tax allowance made to me while accruing my pension if I could have the freedom to do what I wanted with the capital."

I am not sure that I would be prepared to do that, but it is another suggestion made by one individual who feels desperate enough to put such a deal to the Government.

All hon. Members who have spoken have said that the Government fear that people might go in for high living. My correspondent says:

"The Government may fear that some would go out and buy, say, a Ferrari with the money and then fall back on the state to support them. However"—

this is the key point—

"people who take the matter of their retirement seriously and save for it are hardly likely to do this."

We all agree that annuities involve a balance of risk. The choice of schemes for pensioners is wide and, to many, it must seem bewildering. Should they buy a fixed annuity or one that increases from a lower level of initial payment? Should it be linked to the retail prices index? Should it be a joint survivor annuity so that their spouse will benefit after their death? Should they opt for a guaranteed minimum length of payment? Should the annuity be "with proportion" or "capital protected"? Should they take the income in arrears or in advance? How often do they want payments?

The central point about the current position, which others have made, is that the current rates are low. The Association of Unit Trusts and Investment Funds paper, which has already been referred to, says that a man aged 65 with a pot of £100,000 could reasonably expect to get a guaranteed five-year fixed annuity with no escalation of about £9,000. A guaranteed five-year annuity with 5 per cent. escalation would be about £6,000. A guaranteed five-year annuity index-linked to the retail prices index would be about £6,500. That compares with a figure seven years ago of between £15,000 and £16,000. The drop has been substantial and must be very scary to people coming up to making such difficult choices about what sort of annuity to opt for.

Behind all the complicated choices and the consequences that flow from them there are two fundamental uncertainties: first, how long a person is likely to live; and secondly, what is going to happen to long-term gilt redemption yields. An individual could answer all the questions that I asked earlier in the most intelligent and appropriate way, sign up for an annuity on a Monday and die on the Tuesday. That would be bad luck, but there is nothing to be done about it. On the other hand, a life company could offer very generous payments to a heavy-smoking, heavy-drinking, overeating, never-exercising, highly nervous elderly man who then lives for decades. There is nothing that the company can do about that. An annuity is for life. Jane Austen rightly said that it was "a very serious business".

I want to speak up for the annuity. Somehow, its popularity, based on the conversion of capital to income guaranteed for the full term of life, has persisted down the centuries that divide us from Miss Austen's world. For those able to save money for their retirement—thankfully, that is now a large number of people—the annuity continues to be a popular choice. At an important level, annuities are regarded as the fairest way of sharing the risks of our mortality.

As the hon. Member for Northavon said, it is most interesting that, despite the wide range of annuities on offer today, and despite the actuarial information that

should help people to make the right choice, the industry average for those who buy level-term annuities is 83 per cent. The AUTIF document refers to an office that surveyed people about to retire

"and found that most wished to buy an escalating annuity because they thought it was sensible to provide for future rises in the cost of living. But when it came to the actual purchase, the vast majority opted for a level term annuity."

Level-term annuities are popular because they answer an important psychological need, as well as giving people the guarantees that they require at that age.

There is a third party in the deal between the individual and the life company—the Government. The Government have obvious tax interests, but they must not be allowed to override other interests. The Government are also the final regulator of the balance of risk between the individual and the life company. A key Government responsibility is to ensure that the means of saving and providing income for oneself continues to be seen as a fair and reasonable way of sharing risk. As long as all those involved in the long chain from the young saver to the elderly pensioner retain a sense that the system is broadly fair, there is every reason to believe that the annuity will remain a popular means of providing for oneself.

I ask the Minister to imagine what it must feel like to be a 73 or 74-year-old who, through their own hard work, has saved tens of thousands of pounds for their old age. As the long-term gilt redemption yields have declined, that individual will have noticed that the cost of annuities has roughly doubled over recent years. They will get about half as much to live on as someone who saved the same amount and retired a few years ago. Their prospects will be substantially bleaker than they might reasonably have expected. Someone in that position knows that they are going to get a bad deal. They have done everything that successive Governments have urged them to do, passing over some of the pleasures of life to be able to stand on their own two feet in retirement, but the system has stuffed them. The Government control the system.

The fact that one group of pensioners who have worked hard and saved hard are getting a bad deal because they are being forced through no fault of their own to take out annuities erodes general confidence in the system. The Government cannot want that. Let us charitably assume that, one day, the Government sort out their muddle on stakeholder pensions. What if the dark cloud surrounding compulsory annuities rains down on that pet scheme? The previous Government saw how annuity rates were going and changed the law in 1995 to allow income to be drawn down directly from the pension fund until the pensioner reaches the age of 75. Enabling pensioners to defer the purchase of an annuity for 10 years or more was a sensible and popular measure. New financial products were developed to offer better choices to pensioners.

However, the problem facing those coming up to 75 is now substantially worse than that which faced the earlier generation. Government policy must respond and develop. The previous Government acted to ensure the basic sense of fairness in the system. Those who have waited may well have been gambling on a rise in annuity rates, but that gamble has clearly not paid off. They, and a new generation facing this area of difficulty for the first time, are looking to the Government to remove the age limit. We are asking for greater flexibility, so that people coming up to 75 can make their own informed decisions. The Government should at once free people from any artificial, arbitrary, unfair restrictions and let responsible people make their own decisions.

10.40 am

The Minister of State, Department of Social Security (Mr. Stephen Timms): I welcome the debate and congratulate the hon. Member for Northavon (Mr. Webb), as others have done, on his success in securing it. The issue is important and, as several hon. Members have pointed out, it is attracting a great deal of attention at the moment. I also welcome the hon. Member for Windsor (Mr. Trend) to his place, and congratulate him on his appointment. I know that he will not take it amiss if I tell him that we shall miss the energy and vigour that his predecessor, the hon. Member for Grantham and Stamford (Mr. Davies), brought to our debates on such matters—but that, if he does not match him in terms of the length of his contributions, there will be no complaints from us on that score.

I also congratulate the hon. Member for Windsor on the fact that he has been able to make a policy announcement in his first contribution in his new role. Indeed, I have here the Conservatives' press release of yesterday announcing that, as the hon. Gentleman has told us, they intend to scrap the requirement.

It is not entirely clear to me, either from the press release or from what the hon. Gentleman said today, whether the Conservative proposal is to change the age from 75 or to abolish the necessity to take out an annuity at any stage. I must add that the outrage that he has expressed about the unfairness of it all would be a little more convincing if it were not for the fact, which he mentioned towards the end of his speech, that it was a Conservative Government who introduced the requirement in the first place. No doubt, I shall come back to some of those points in due course.

Let me reassure the hon. Member for Twickenham (Dr. Cable)—I have not consulted the 1888 report to find inspiration for what I have to say to the House this morning. I pay tribute to the expertise in these rather arcane matters that has been shown by everyone who has contributed to the debate so far.

First, I shall say something about the reformed structure that we are introducing for the pensions system, so as to provide background to the concerns that have been expressed about annuities. There is a pressing case for reform. It is true that pensioner incomes have grown faster than working incomes over the past 20 years, mainly as a result of the success of occupational pensions—but that overall average picture masks the fact that a significant number of older people have been left behind by the improvements that others have enjoyed. Some pensioners have prospered; others have not. That is why it is important to give priority to extra help for those who need it most urgently.

Every pensioner household will benefit from the £4 billion package that we have introduced for the life of this Parliament, but the lion's share of the extra money will be aimed at the least well-off. Through the minimum income guarantee, which several hon. Members have mentioned, pensioners receiving income support are now at least £160 a year better off than they were before April.

Next April, the guaranteed level will increase in line with earnings, which will bring another 20,000 pensioners within the minimum income guarantee. As we aim,

[Mr. Stephen Timms]

in time, to uprate that guarantee in line with earnings, those whose income is just above the guarantee—a group often of particular concern, rightly so, both to hon. Members and to their constituents—will gradually be brought within its scope as its level rises. After next April's increase, a pensioner couple over 80 will be about £8 a week better off in real terms as a result of the changes that have been made since last year.

That is a substantial boost, and we can give it because we are ensuring that the extra money is available to those who need help most. The hon. Member for Arundel and South Downs (Mr. Flight), who is not in his place at the moment, described that as an extremely generous arrangement; I am not sure that I would go quite so far as that, but it represents a great improvement for the people who, rightly, look to the Government to provide improvements.

In addition, in the winter, every pensioner household will receive a £100 payment towards the cost of fuel, which will benefit about 10 million pensioners in more than 7 million households. The minimum tax guarantee, with additional uprating of pensioners' personal income tax allowances, means that, since the Budget, 200,000 pensioners have been taken out of income tax for the first time. Two thirds of pensioners now have no tax to pay.

A range of substantial changes have therefore already been made. Looking to the future, our election manifesto recognised that we need major reforms to ensure that future generations of pensioners can look forward to a decent retirement. Our review led to the Green Paper on pensions, published just before Christmas.

Everybody who can save for retirement has a responsibility to do so; in turn, the Government have a responsibility to provide security in retirement for those who cannot save enough, and to regulate effectively the private pensions system—an aspect of which is the focus of our discussion this morning.

Our strategy for the future, as laid out in the Green Paper, rests on four interlinked pillars. The first is the basic state pension, uprated at least in line with prices each year. That will not be means-tested or privatised. The second is the minimum income guarantee, which I have described.

The third pillar is the state second pension, and the fourth is our new funded stakeholder pension. The new state second pension is being designed to ensure that, in future, everybody with a lifetime of work and contributions behind them will build up a right to a pension that will be above the minimum income guarantee when they retire. In due course, we expect that pension to become a flat-rate scheme for those on lower earnings, with moderate and higher earners contracted out into funded pensions.

The fourth pillar—the stakeholder funded pension—will be a new type of private provision, combining the low overheads and high security that characterise occupational pensions with the flexibility of the best personal pensions. Those are being designed particularly to help those on middle incomes, from roughly £9,000 a year up to average earnings. However, they will benefit those on higher incomes as well.

Mr. Trend: With regard to both pensions in general and stakeholder pensions in particular, the Minister's document, released yesterday, did not seem to say anything about the costs, which were supposed to be 1 per cent. In the light of that paper, and of other consideration that the Government are undertaking, can he tell us whether he still expects the costs to be that low, or whether they will be higher?

Mr. Timms: We are issuing a series of consultation briefs about the design of stakeholder pensions. The first, issued on 2 June, was about minimum standards, including costs. We are consulting on the view that we expressed in that paper. As the hon. Gentleman rightly says, another document was issued yesterday, about employer access to stakeholder pensions. Our aim is that every employee in the land who does not have access to an occupational pension scheme should have access to a stakeholder pension in the future.

The hon. Gentleman is right to say that we did not revisit the subjects covered in the paper of 2 June, but that is because the subject matter of the next document was different. Four further consultation briefs will be published before the end of July, and will cover the full range of the decisions that need to be made about the details of stakeholder pensions.

We are driving a hard bargain on behalf of scheme members with our proposal for a 1 per cent. charge. We think that that is right, and that the Government and the industry need to work hard on stakeholder pensions to persuade people whose main knowledge of personal pensions is that they were mis-sold to lots of people in the past, that stakeholder pensions will be dependable, good value, and a good place to invest their savings.

That is the basis for the view that we expressed on 2 June. I have been heartened by the positive response to that proposal so far. We are considering the matter and consulting, and we shall listen carefully to what everybody says. The proposal has lit a spark of enthusiasm about stakeholder pensions.

The Welfare Reform and Pensions Bill sets out the basic legislative framework for stakeholder pensions. There will be a series of documents between now and July about the detail. We have a structure for pensions reform that is well thought through and has been widely welcomed. There has been lots of comment about the detail, and our task now is to get that right.

I readily acknowledge the widespread concerns about the requirement to annuitise a personal pension or a money purchase occupational pension arrangement. I have received numerous letters from hon. Members and constituents. The hon. Member for Arundel and South Downs said that I must have received many letters from my constituents, but in fact I have probably received more from his constituents, via him. Several hon. Members have also tabled parliamentary questions on the matter, and I have had discussions with both them and the pensions industry.

The present position is that members of a personal pension scheme must use their fund to buy an annuity by the time that they reach the age of 75, and—this has not been mentioned today—members of money purchase occupational pension schemes must buy an annuity when they retire. Before reaching 75, but after the age of 50, holders of personal pensions may draw income directly from their fund, subject to upper and lower limits. We have already had some discussion about income

draw-down. We plan to introduce parallel arrangements for members of money purchase occupational schemes shortly.

The current arrangements for annuity deferral until 75 have been in place for three years, as the hon. Member for Windsor said. The Inland Revenue is conducting a review of how well the arrangements are operating and will assess the need for any changes later in the year. The review is considering annuitisation by 75. I reassure the hon. Member for Arundel and South Downs that it will be a wide and thorough review, and not the pathetic fudge that he feared. The results will be published in the autumn.

The rate for a level annuity has fallen sharply over the past five years. Apart from the change to a low inflation environment, people live about 10 years longer than they did 50 years ago, and there have been sharp increases in longevity in the past few years. That continuing trend clearly affects the annuity rates that can be offered, as the fund will have to cover a greater number of years in retirement.

Before writing off annuities, we should consider the whole story. I have some sympathy with the points made by the hon. Member for Windsor on the subject, although he seemed to be arguing both ways. He said that he was in favour of annuities and then said that people who had to buy them were getting a terrible deal. We must ensure that we do not encourage the view that taking out an annuity means bad value, which is often not the case.

Mr. Webb: I was not remotely attempting to write off annuities, although they may not be appropriate for everyone. We are in favour of choice. People of 75 who are allowed to continue with draw-down and to keep a capital sum might be better placed to pay for their own long-term care, whereas those who buy an annuity get a pension stream that will never cover long-term care costs. Might that be another attraction for the Government of more flexibility?

Mr. Timms: That is an interesting point. As the hon. Gentleman knows, we are considering the arrangements for long-term care and will make an announcement in due course. There are attractions in various forms of flexibility that are not currently available and we need to keep an open mind. Throughout this debate, hon. Members have been asking for greater flexibility, and no one has suggested that there is a panacea that would allow us to convert a lump sum pension pot into an income stream to support people through their retirement.

The current arrangements are easy to criticise, but it is hard to come up with genuinely radical alternatives. There is certainly scope for discussing the details and whether it might be appropriate to have extra elements of flexibility. The great virtue of an annuity is that it provides a guaranteed income for the remainder of a person's life, however long that turns out to be. That is an important virtue.

It has been suggested this morning that it is rather patronising to be concerned that people will blow their savings on a Ferrari when they retire. Whatever the other considerations, the Government would need to think long and hard before signing up to an arrangement that could lead to people facing a sudden financial crisis in their 80s or 90s. I have seen some suggestions for alternatives that are quite open about the fact that they run out after 25 years, on the ground that most people do not live longer than that after retirement, but it would be wrong to go down a route that could lead to a crisis for people at exactly the time in their life when they would least want to be confronted with one.

Annuity rates have fallen, but so has inflation. Lower inflation means that the purchasing power of a fixed-value annuity is now maintained much better than it was in the past. The rates for index-linked annuities are especially interesting. Five years ago, an indexed annuity would have produced an annual pension, for a man aged 65, of £6,600 from a fund of £100,000. The comparable figure today is about £5,800: a reduction of only £800 a year and a much smaller fall than that in the rate of level annuities.

That comparison is instructive and it is as well to bear those figures in mind in considering whether the value offered by annuities is significantly worse today than it was five years ago. The evidence does not support that thesis. Over the same period, people's pension funds have enjoyed the benefit of substantial stock market growth, and fund growth has helped to mitigate the effects of the fall in annuity rates.

The open market option for holders of personal pensions means that fundholders can shop around.

Sir Robert Smith: People nearing retirement will not have had the full benefit of stock market growth, because their fund should have been managed in recognition of their age.

Mr. Timms: That is a fair point, but, if one compares the past 10 years with the previous 30, it is clear that returns on equities have been very much better.

Life offices that act as annuity providers have a very good track record for security. There has been no significant failure associated with them, owing to the underwriting process that secures the payment to an annuitant so that the liability is matched to suitable assets. That feature, guaranteeing income, is the real strength of the annuity system.

There are already forms of annuity, such as with-profits annuities, that allow pensioners to share in equity growth; but that inevitably exposes the pensioner to increased risk. The hon. Member for Arundel and South Downs suggested that those were not widely taken up because of Inland Revenue rules. I do not agree. I think that it is the inevitable risk that has deterred people. They are available as an option for those who want them.

We have considered whether there is a viable alternative to annuity purchase that would guarantee income for the rest of the annuitant's life, but none has so far been identified. The Treasury is open to suggestions from the industry.

The value offered by annuities is not as poor as is often suggested. I have seen no evidence that the providers of annuities are making exceptional profits, which they would be if some of the criticisms that have been levelled at them were valid.

Stakeholder pensions are identified in the Welfare Reform and Pensions Bill as money purchase schemes. I want stakeholder pensions to enjoy—

Mr. Deputy Speaker (Mr. Michael Lord): Order. It is time for the next debate.

Areas of Outstanding Natural Beauty

11 am

Mr. Martin Caton (Gower): In 1949, a Labour Government gave us the National Parks and Access to the Countryside Act, which established national parks with the twin purposes of promoting their conservation and public enjoyment. It also established areas of outstanding natural beauty, where the objective was landscape conservation. I hope that today's debate—50 years after passage of the legislation—will allow us to celebrate our designated areas of outstanding natural beauty in England and Wales. I also hope, however, that we will not be afraid to focus on the weaknesses that have been exposed in the legislation over the past half century, or to consider how, in the years ahead, we might improve the protection of some of our most precious landscapes and habitats.

The designation "area of outstanding natural beauty" was created by section 87 of the 1949 Act. The first thing that we can celebrate is the very fact that that Government, in that legislation, recognised the need to maintain our most beautiful countryside as places in which to work, to live and to play while protecting its special qualities.

We can still, 50 years later, rejoice in the title of areas of outstanding natural beauty, as it tells us what we are talking about: some of the finest landscape and most environmentally important countryside in the whole of England and Wales. Although we might quibble about whether the countryside that we are talking about is truly natural, for most people the title communicates very well what we are trying to say, and does so far better than titles such as national park, nature reserve, site of special scientific interest, special area for conservation or special protection areas.

Unfortunately, it could also be argued that creating the title AONB was almost all the legislation did. The legislation called for designation of parts of our countryside as outstanding, and, in the title, explained why they should be so designated. To be fair, I should add that the Act also made provision for land-use planning arrangements, which, although possibly imperfect, have helped enormously in protecting those special places.

The Act did not provide for the administration of AONBs. It said that they should exist and why, but did not say anything about how—how they were to be managed—or about who was to manage them or to finance that management. That contrasts with the situation of national parks, which were created in the same legislation. Questions of who and how in relation to national parks were answered fairly clearly in the 1949 Act, and were further dealt with in the Environment Act 1995.

The failure to make provision for positive management of AONBs was not an error, but was a result of the thinking of that time—particularly in the Hobhouse committee's 1947 report, which led to the legislation and which stated:

"There are many areas of fine country in England and Wales which are not included in our selection of national parks but yet possess outstanding landscape beauty, are often of great scientific interest and in many cases include important holiday areas. While in the main they do not call for the degree of positive management required in National Parks . . . their contribution to the wider enjoyment of the countryside is so important that special measures should be taken to preserve their natural beauty and interest. We recommend, therefore, that the Minister of Town and Country Planning should designate areas of high landscape quality, scientific interest and recreational value as Conservation Areas."

In the 1949 Act, those conservation areas became AONBs. I suspect that, even then, the belief that those areas did not require positive management was mistaken. Consequently, the need for such management has become ever clearer.

Perhaps, 50 years after passage of the Act, the most remarkable feature of our AONBs is how much has been built on such a flimsy foundation. I hope that colleagues on both sides of the House who represent constituencies that include AONBs, or parts of them, will take this opportunity to talk about what is happening—for good or ill—on their patch, to help Ministers as they assess the best way forward for landscape protection in those very special areas.

I should like—to set the ball rolling—to talk briefly about the AONB in my own constituency of Gower, to demonstrate not only some real achievements but some failings that were partly caused by the omission in the 1949 Act.

The fact is that the Gower peninsula itself set the ball rolling. In 1956, it became our first designated area of outstanding natural beauty, in recognition of the national importance of its landscape, particularly its coastal landscape, and its wildlife and clear historical identity. It began the process of AONB recognition across England and Wales.

For many years before designation, Gower had, quite rightly, been appreciated for its special qualities. Its complex geology produces a wide range of scenery in a comparatively small area. It ranges from the south coast's superb limestone cliffs and broad sandy beaches, to the salt marshes and sand dune systems in the north. Inland, large areas of common land—dominated by sandstone heath ridges—are a feature, and its rich natural environment of heath, grassland, fresh and salt water marsh, dunes and oak woodland were nationally renowned even before the war. That was reflected, from 1933 onwards, in a number of early acquisitions by the National Trust.

Nevertheless, it took some intense lobbying before, on 9 May 1956, L. Strang, chairman of the National Parks Commission, and his secretary, Harold Abrahams, signed the designation order. The designation has been a matter of pride for Gower residents ever since. However, even in 1956, Gower people were worried about the availability of resources, after designation, for maintenance and improvement of the environment in their area.

At the time, the then National Parks Commission proposed an extensive series of grants for landscape management. The proposal, however, was never implemented, so that the burden of providing resources for conservation of that nationally important area has fallen on local authorities, sometimes with the help of partner agencies. In fact, the nearest that we have come to putting into practice the National Parks Commission's 1956 idea occurred in the 1990s, under the Tir Cymen agri-environment scheme, in which Gower was a pilot area. The scheme enabled some very valuable environmental improvement work and enthused our local farmers. I hope that the scheme's replacement, Tir Gofal, will build on the earlier experiment's achievements.

Since 1956, it has been mostly up to local councils to try to protect the Gower AONB as best they could. However, with no statutory requirement for positive

management, the record has been patchy. For example, in the 1960s, an AONB warden was appointed to implement small-scale projects and to patrol the area, but to do so without an overall strategic plan. When the warden retired in the early 1970s, his post lapsed.

Similarly, in 1973, when the importance of Gower's unspoilt coastline was recognised by its designation as a heritage coast, a heritage coast warden was appointed by the city council, and several initiatives on various degraded sand dune systems were implemented. However, there was no heritage coast management plan, and no links to wider AONB work. When the heritage warden retired, he, too, was not replaced. Time was lost, and, with it, stone walls, traditional boundary hedges, stone-faced banks, old barns and goodness knows what coastal and inland wildlife habitats also were lost.

Only in the 1990s, with publication of the Gower management plan and appointment of AONB staff, did conservation really move forward. Now, we have integration and co-ordination of the work of the agencies involved in countryside management in the AONB. However, a real threat is still posed by the absence of core funding and statutory responsibility. Gower AONB's long-term protection is still by no means guaranteed.

I believe that the situation at the Gower AONB is similar to that of AONBs across the country. There are now 36 areas of outstanding natural beauty in England, and four such areas in Wales. Additionally, a large part of the Wye valley AONB is in England, with a smaller part of it in Wales.

All 41 AONBs, with our national parks, represent the finest landscapes in our country and are an absolutely vital part of our national heritage. They range from the Solway coast to the north Wessex downs; from the Norfolk coast to the Cotswolds; from the Cornish coast to the Clwydian range. Their beauty is matched only by their wonderful variety.

As I have mentioned national parks, I should affirm that AONBs are not second-class national parks, but are equal in quality. They are distinguished from the latter in the legislation on the basis of access for extensive outdoor recreation, not on the basis of beauty or ecology. However, although AONBs are equal in beauty and environmental quality, they are not equal in treatment.

National parks have authorities to manage their protection and public enjoyment. They also enjoy a high profile and guaranteed funding, which is not true of AONBs. Although AONBs often have to deal with national-park scale problems, they do so without resources that are anywhere close to those available to national parks. For instance, the Cotswolds, at 2,038 sq km, is much larger than the national parks, and the Chilterns, with 52 million day visitors a year, receives more visitors than most national parks in any year. Can it be right that the law fails to provide that those special areas must be managed to protect them, fails to identify anyone to do the job, and fails to provide for resourcing the work?

Even now, when, thanks to local initiative, a lot of good work is being done, 13 of the 37 AONBs in England have no management plan in place. Some have not appointed an AONB officer, or set up a joint advisory committee. With no statutory requirement and no long-term funding, that is hardly surprising. As an aside, I should tell the House that we in Wales do not even have the benefit of additional financial resources directed to the English AONBs as an interim measure.

The Countryside Agency submitted advice to the Government on the future of AONBs last June. The Countryside Council for Wales followed, with a similar submission to the Welsh Office in January. Both organisations expressed concern about the increasing pressures of modern society on our vulnerable high-quality country areas, and about the threat from changing farming economies to our treasured landscapes.

The Countryside Agency made specific recommendations to ensure effective management, adequate financial provision and improved development controls in our AONBs. It calls on the Government to give a lead in their planning decisions to demonstrate the very high degree of protection that AONBs should enjoy. It calls for a statutory obligation on all public bodies to have regard to the need to enhance the natural beauty of AONBs. It calls for highway authorities and the Highways Agency to act on their duty to have regard to the purposes of the designation of protected countryside, and suggests the use of transport policy and programmes to channel funds into schemes that protect our finest countryside.

The agency argues that agri-environment schemes should cover all farm land in national parks and AONBs. It calls for Government funds to cover the costs of management services for visitors and recreation in designated areas, and suggests that this funding be supplemented by lottery and European Union finance. It calls for local authorities to be statutorily required to pursue the objective for which AONBs were designated, and to produce AONB management plans.

The agency argues that local authorities, when they so wish, should be able to constitute conservation boards, with—as a minimum—consultee rights on planning matters, recreation and agricultural policies in their AONB. It calls for Government funding of the core costs of managing AONBs through a 50 per cent. grant. As a matter of interest, the Countryside Council for Wales argues that the grant should be 75 per cent., to give parity with national parks. Finally, the advice calls for Government finance for an AONB fund for special projects.

I know that the Government are considering the Countryside Agency's advice, but they have been doing so for 12 months now. At different times since last June, we have been told that the Government would respond soon, and then very soon. When my hon. Friend the Minister winds up, I hope that he might be able to be rather more specific as to when we can expect that response. However, if he could manage a phrase such as "very, very soon", or "very, very soon indeed", I would regard that as at least a step in the right direction.

Sir Geoffrey Johnson Smith (Wealden): I do not want to make a speech and intrude on the time available to the hon. Gentleman, as, unfortunately, another engagement means that I cannot stay for the rest of the debate. However, on this specific point, may I say how much I welcome what he has said? The Sussex downs conservation board is seeking increased powers along the lines suggested by the hon. Gentleman. My constituency contains an AONB, and the Sussex downs can be seen in the distance. What the hon. Gentleman has said should

[Sir Geoffrey Johnson Smith]

command wide support in the House, and I hope that a favourable response from the Government will not be too long in coming.

Mr. Caton: I thank the right hon. Member for that intervention, which fits nicely with what I have to say. I was about to refer to the private Member's Bill, the Areas of Outstanding Natural Beauty Bill, being introduced by Lord Renton of Mount Harry in the other place. Lord Renton is the chairman of the conservation board mentioned by the right hon. Gentleman, and that board is setting a good example for a possible way forward.

I know that I am not allowed to request legislation in this debate, and I do not intend to do so, but I have read the *Hansard* report of the Second Reading debate on Lord Renton's Bill in the other place. It was quite a literary debate, with quotes from John Keats, Rudyard Kipling, A. P. Herbert and even Bill Bryson, and it helped to clarify the matters that need to be addressed. It identified some key questions, which I shall list and to which I hope my hon. Friend the Minister will respond.

Are we going to be able to conserve our AONBs in the future without placing a statutory duty on local authorities? How can we make sure that all public bodies recognise and respond to the AONB designation in carrying out their functions in these areas? How do we ensure that every AONB in the country is positively managed, so that these landscapes and habitats can be properly protected in the face of increasing pressures?

How do we resource that management and the special enhancement and conservation projects that will come out of it? How do we ensure a cohesive approach to AONB management, when the AONB in question straddles two or more local authority areas? Can we justify the differences in levels of protection offered to AONBs as compared with national parks, when we know that they are equal in terms of landscape quality?

On Monday, my right hon. Friends the Deputy Prime Minister and the Minister for the Environment launched the new Countryside Agency. Quite rightly, the former pointed to the actions that this Government have already taken to improve the quality of life in our rural areas and to protect our environment. He stressed his determination to do more.

I know that the Minister is committed to the cause of conservation and, especially, to the protection of our finest landscapes. I hope that he will be able to address the questions that I have just asked, and outline Government thinking about protecting that invaluable resource—the 16 per cent. of our country designated as being of outstanding natural beauty.

The AONB designation applies nationally. Its purpose is to conserve the most important landscape heritage of the nation for the benefit of this and future generations. It is about long-term stewardship for the conservation of natural beauty, and it includes the protection of flora and fauna. Geological features, as well as important features of the landscape, archaeology and history, are also covered. When AONBs are working at their best, these national objectives are achieved through partnership with local communities. That is what we must build on.

I noticed that the press release for Monday's launch of the Countryside Agency was entitled "Everyone's a Winner in Tomorrow's Countryside". I believe that we will all be winners if we get the future of our AONBs right.

In this debate, we can celebrate the 50th anniversary of the 1949 Act. Despite its flaws, it was a landmark piece of legislation about how we live, work and play in the most beautiful parts of England and Wales and, at the same time, conserve their special qualities. Now, however, we need to ask whether it is time to create a new framework for areas of outstanding natural beauty for the new century—a framework for better management and fairer resourcing.

11.17 am

Mr. Tom Brake (Carshalton and Wallington): First, I congratulate the hon. Member for Gower (Mr. Caton) on securing a debate on such an important issue. He is privileged to represent a constituency that contains an area which, although I do not know it myself, my researcher Richard Thomas tells me is as beautiful as the Gower peninsula. I share the hon. Gentleman's concern that areas such as Gower should be afforded more effective protection.

This is the first time I have contributed to a debate specifically concerning areas of outstanding natural beauty, but I have contributed to many debates on the protection of wildlife, sites of special scientific interest, national parks and the right to roam. These issues are, of course, inextricably linked.

As the hon. Member for Gower stated, we are approaching the 50th anniversary of the post-war Labour Government's landmark legislation—the National Parks and Access to the Countryside Act 1949. I hope that this Government will act in a similarly radical and forward-thinking manner. As we approach the millennium, we need further countryside legislation. However, I have already expressed concern that a super Bill, combining access, wildlife protection, AONBs and hedgerow legislation, could end up failing adequately to address the needs of any of those areas—but I am prepared to be pleasantly surprised.

It is probably worth setting out the exact definition of areas of outstanding natural beauty. They are, of course, defined under the 1949 Act to which I referred earlier. According to the Library, the designation is

"supposed to conserve and enhance natural beauty, taking into account the needs of agriculture, forestry and other rural industries and of the economic and social needs of local communities.

Sustainable forms of social and economic development, which in themselves protect and improve the environment, are encouraged."

The purpose of AONBs must, of course, be to sustain the beauty of the area, but without freezing it in time—an argument that was stressed in another place as recently as yesterday.

The key difference between AONBs and national parks is that creating opportunities for recreation is not a specific purpose of an AONB. Another key point is that local authorities are supposed to take the special character of the landscape into account when creating policy and controlling development in AONBs, but, as the hon. Member for Gower pointed out, AONBs do not have legal statutory protection. That anomaly should be tackled because "taking into account" can mean different things to different people.

AONBs should be given the same status in that respect as national parks—the highest level of landscape protection. That should be reflected in planning policy guidance note 7. There should be a statutory duty on public bodies and local authorities to have regard to, and further the purpose of, AONBs.

Another feature of areas of outstanding natural beauty is that although they were designated under the 1949 Act, as the hon. Member for Gower said, that Act does not stipulate who is responsible for their management or funding. It is imperative that safe and secure funding from both central and local government be provided to make the AONB status truly effective. That is a view with which the Government have expressed some sympathy.

Mr. Andrew Tyrie (Chichester): The hon. Gentleman said that he wanted AONBs to be put on a statutory basis, and I agree. Will he therefore support the Bill introduced by Lord Renton of Mount Harry, or something similar, to enable that to be done? Secondly, does he agree that the crucial requirement now is certainty? I have an AONB in my constituency—the south downs. The life of the south downs conservation board was extended for three years two years ago, so it will run out shortly. Certainty is desperately needed for those areas, where there is much concern about the long-term future.

My area does not want to be a national park. It wants an extension of the south downs conservation board. The best way forward is legislation to put that on a sustainable basis. Does the hon. Gentleman agree?

Mr. Brake: I thank the hon. Gentleman for his intervention. Some key points are made in Lord Renton's Bill, which I can support. I will be asking the Minister a question about the south downs shortly.

I believe that the Surrey hills is the nearest AONB to my constituency. It provides a place of relaxation and leisurely walks not merely for the residents of Dorking, Box Hill and Reigate, but for much of south London, including, I am sure, many constituents of mine from Carshalton and Wallington. Hence, there should be a national contribution to the running costs of that AONB.

The Liberal Democrats have supported the core proposals outlined by the Countryside Agency and the Countryside Council for Wales. I believe that the Government are also sympathetic to some of those proposals, which would tackle some of the problems that I mentioned. However, I do not believe they would deal with all of them. For instance, they would ensure that in consultation with others a management plan for the AONB was produced. They would ensure secure funding from central as well as local government, and they would require local planning authorities to consult the conservation board, where one exists, on development plans and applications for planning permission that are likely to affect an AONB.

However, the proposals would not solve every problem. For example, the conservation boards advocated by the Countryside Agency would have the power only to advise planning authorities. It is our view that there may well be a case for their having the power to veto developments that are contrary to the stated aims of an AONB. That is of particular importance if, as reported by the media yesterday, the Government are backtracking on their commitment to developing 60 per cent. of new homes on brown-field land. It is precisely areas such as the Surrey hills AONB that would be vulnerable to green-field development if that target is relaxed. I will be happy, of course, if it is merely media spin without substance that has suggested backtracking on that target. I seek a reassurance from the Minister now or when he replies that the Government are holding firm to their target.

I am sure that there is broad agreement in the House on the need to ensure that AONBs are enhanced for the benefit of both local communities and visitors alike.

It is time for the Government to answer some simple questions. Can the Minister tell the House what is his preferred status for the south downs? Does he favour boosted or enhanced AONB status, or does he believe that the downs should become a national park? Can he tell us whether he favours a statutory requirement for conservation boards to be set up, either for all AONBs or for those that cover more than one local authority area? Does he favour a power of veto for the conservation boards over intrusive development in AONBs? Has he negotiated with the Treasury over central Government funding for AONBs, either at the 50 per cent. or the 75 per cent. level that has been advocated?

Finally, when will the Minister make a statement? The hon. Member for Gower referred to "soon, very soon and very very soon". I understand that a reference was made to "pretty soon" in another place yesterday. I will listen to the Minister's response carefully. He has the ability to safeguard some of the most beautiful landscapes in England and Wales. He will need to demonstrate that they are safe in his hands.

11.26 am

Mr. Chris Ruane (Vale of Clwyd): Thank you for allowing me to speak in this important debate, Mr. Deputy Speaker. I take this opportunity to congratulate my hon. Friend the Member for Gower (Mr. Caton) on securing this debate on the 50th anniversary of the National Parks and Access to the Countryside Act 1949. My contribution will be short, but I fully support my hon. Friend's arguments.

Half my constituency is in an area of outstanding natural beauty—the Clwydian range, which also extends into the constituencies of my right hon. Friend the Member for Alyn and Deeside (Mr. Jones) and my hon. Friends the Members for Clwyd, West (Mr. Thomas), for Clwyd, South (Mr. Jones) and for Delyn (Mr. Hanson). My right hon. and hon. Friends support and are aware of the importance of AONBs in the Clywdian range, as they have all signed a charter of support in the courtyard in front of the Members' Lobby, and I know that they wish my hon. Friend the Member for Gower well in his efforts to secure funding.

The Clywdian range in my constituency includes the historic Offa's Dyke footpath, which runs along the brow of those hills. It also includes the Jesuit college of Saint Buenoes, from where the Victorian poet Gerard Manley Hopkins roamed the hills around Tremeirchion and looked down into the vale of Clwyd and the vale of Elwy and wrote poetry about the beautiful scenery that lay before him.

I firmly believe that those hills and green vales are a national treasure—a much neglected treasure and one that is kept on the cheap. As my hon. Friend the Member for Gower so eloquently illustrated, AONBs and national

[Mr. Chris Ruane]

parks are considered of equal beauty and importance. I would even say that the Clwydian range in my constituency has greater beauty than many of the United Kingdom's national parks, but I could be accused of bias. Even though they are of equal beauty and importance, they do not receive equal funding, however. AONBs are the poor relatives of the national parks.

The long-term effect of that underfunding has been the under-utilisation of some of our most valuable and treasured assets. I fear that if long-term funding is not secured for AONBs, we may witness the degradation of those national assets. Funding for AONBs needs to be increased so that it is at least on a par with that of national parks. AONBs can play a key role in regenerating our rural communities, which have suffered so much in the past 10 years because of BSE, the strong pound and tighter regulations in agriculture.

My hon. Friend the Member for Gower asked us to share with him initiatives and good and bad ideas for the AONBs in our constituencies. I will share some initiatives from my constituency with my colleague and the House. It is intended, for instance, to extend cycleways in the rural areas and link them to the Sustrans national cycleway network. That will bring visitors staying on the coast of Wales into the rural hinterland in an environmentally friendly way. People from the coastal towns of Rhyl and Prestatyn, in my constituency, will be able to appreciate that rural hinterland—the mediaeval castles of Rhuddlan and Denbigh, the cathedral at St. Asaph and the marble church at Bodelwyddan.

Those areas of outstanding natural beauty should be a hook not only for visitors to Wales but for the local population. Managers of the AONB in the Clwydian range are taking another initiative. They will pilot free bus trips from the coastal towns of Rhyl and Prestatyn, where 45,000 people live—including some of the poorest people in Wales. Free transport will be provided for those who have no access to cars, to take them to the AONB so that they can experience the beauty that surrounds them.

To open up such sensitive areas as the Clwydian range to more visitors will require even more careful management to ensure that any development is sustainable and does not lead to any damage to the physical environment. I pay tribute to the managers of the AONBs of England and Wales—especially Mr. Howard Sutcliffe in my constituency. He manages the AONB on a shoestring budget and comes up with excellent new initiatives. He is committed to his work. That additional careful management will cost more. We need long-term, secure funding so that those who manage the countryside in the AONBs can concentrate on the task of management. They should not have to go to councils or quangos with begging bowls; nor should they have to lobby politicians: they should do what they are good at—managing the countryside on behalf of the public.

The financial position of AONBs in Wales is even more precarious than that of those in England. Over the years, the Welsh AONBs have been put at a disadvantage vis-à-vis their English counterparts, although they all started from a low base. There will be a chance to redress that imbalance with the advent of objective 1 funding, which will affect 15 counties in Wales; the remaining seven counties will be eligible for objective 2 funding.

There will be a total of £1.8 billion for Wales over the next six years. If we use that money carefully, we can ensure that our AONBs are brought up to scratch and that the facilities offered there are comparable to those offered by the national parks. However, objective 1 funding should be regarded as the icing on the cake; the No. 1 issue is core funding. That will ensure that the original vision, in the 1949 Act, will be achieved. I urge my hon. Friend the Minister to help us to achieve that vision.

11.33 am

Dr. Julian Lewis (New Forest, East): It is a great pleasure to follow the hon. Members for Vale of Clwyd (Mr. Ruane) and for Gower (Mr. Caton), with both of whom I share membership of the Select Committee on Welsh Affairs—there is a danger of the debate becoming a little parochial. I was born and brought up in Swansea and can, therefore, advise the hon. Member for Carshalton and Wallington (Mr. Brake) that he is missing out by never having visited the area of outstanding natural beauty in Gower—the second most beautiful rural area in the country. However, I shall speak about Hampshire, especially the New Forest, which is, of course, the most outstanding area of natural beauty in Britain—even if it is not formally classified as such.

Before I begin my own comments, I shall relay the views on AONBs of the head of countryside at Hampshire county council—Mr. Merrick Denton-Thompson. He was good enough to write to me, hoping that I would be able to support the hon. Member for Gower in the general thrust of his remarks in the debate; I am happy to do so. Mr. Denton-Thompson points out:

> "21% of Hampshire is covered by AONB designation which provides substantial protection from changes in land use. However there is often little or no co-ordination of the land management operations which play an important role in sustaining the outstanding characteristics of such areas. There is an urgent need for more integration between agricultural and environmental objectives within Government if AONBs are to retain their outstanding contribution to the beauty of the English countryside."

I am, of course, happy to endorse that in general, but I am sure that Mr. Denton-Thompson and others will appreciate that, sometimes, the same formula does not fit every instance of beautiful countryside. The New Forest is one such case. Some people would try to force the New Forest into the straitjacket of a national park. There are also those who would like to force the parliamentary representatives of the New Forest into a similar appliance. However, my hon. Friend the Member for New Forest, West (Mr. Swayne) and I are united in our belief that the New Forest has survived very well over many years, with special legislation that acknowledges its role as a unique, living and working forest. The forest would not have its current form were it not for the unique contribution of the commoners who raise animals there. That is essential for it to maintain its character.

In recent times, the problems of the commoners have greatly intensified; they turn their animals out on the forest only as a labour of love. They certainly make no profit from doing so. However, they are content to do so in the knowledge that special mechanisms protect their rights in the New Forest, and hence the particular characteristics of the forest that give it so much value in the eyes of the many people who are fortunate enough either to visit it regularly, or—as in my case—to live there. One of the mechanisms that protect the forest is

the verderers court—an ancient institution that prevents change in the management of the forest that would be to its detriment. Another body that protects the forest is the Forestry Commission itself. The local authorities also play a serious and responsible role in keeping the forest as we want it to remain for generations to come.

The delicate interplay of all those organisations has an overall beneficial effect and keeps the balance of interests in the forest gently in equilibrium. We are concerned that forcing the New Forest into the straitjacket of national park status would centralise and bureaucratise control of the forest.

Mr. Desmond Swayne (New Forest, West): I thank my hon. Friend for his courtesy in giving way. Does he accept that, over the past 30 years, on every development versus environment issue, one or other of the local authorities in the area has been on the side of development? That does not inspire confidence in the prospect of a national park authority dominated by local authority interests.

Dr. Lewis: As always, I wholly agree with my hon. Friend's comments on that subject. I much admire the Minister—I am pleased that he will answer the debate today—for the patience and consideration that he showed us when we made representations on that matter. My hon. Friend and I live in hope that the special status of the forest will continue to be recognised, and that the 50th anniversary of the National Parks and Access to the Countryside Act 1949—of which the Government are, rightly, proud—will not be used as an excuse to turn the New Forest into a national park. To celebrate the anniversary in that way might be to the advantage of the Government's PR machine, but would be to the disadvantage of the forest itself.

Other hon. Members want to speak so my remarks will be brief. I refer only to one other threat that seriously menaces the New Forest and to which I adverted on 26 November last year: that a giant container port will be built on the edge of the forest at Dibden bay. That container port would be part of the great port of Southampton. No one appreciates more than my hon. Friend the Member for New Forest, West and I the importance to the area of a successful port in Southampton. But the idea of giant container stacks, huge cranes, and enormous container lorries and trains trundling through the countryside, disfiguring the boundary of the New Forest, fills us with horror.

Sacrifices sometimes have to be made in the national economic interest, but if such a development is imposed on the forest, it will not be necessary in the national economic interest because there is a perfectly acceptable brown-field site in the constituency of the hon. Member for Basildon (Angela Smith) at the site of Shell Haven, an oil refinery which is closing. It is an example of cross-party co-operation that the hon. Lady and I have worked together to achieve something which might be necessary for the national economic interest, is certainly necessary for the interests of her constituents and is anathema to the interests of my constituents, so that the new container port is sited in the most suitable area.

The New Forest has been a jewel in the crown of the English countryside for 900 years. It can continue to glitter and to shine providing that it is protected from the twin threats of unnecessary designation as a national park and appalling desecration by the building of a container port far better suited to other parts of the United Kingdom.

11.42 am

Mrs. Diana Organ (Forest of Dean): I, too, congratulate my hon. Friend the Member for Gower (Mr. Caton) on securing this important debate on areas of outstanding natural beauty. I represent part of an area of outstanding natural beauty, which is unique in that it is covered by three local authorities and two nations—the Wye valley. It is unusual because it follows the outline of the Wye valley rather than a wider countryside area. However, that has not given it the protection that areas of outstanding natural beauty need. Under the previous Administration, under the minerals plan, there was a proposal for five sites for limestone extraction within the boundaries of the Wye valley. When the Labour Government of 1949 set up areas of outstanding natural beauty, they surely never envisaged that. As my hon. Friend the Member for Vale of Clwyd (Mr. Ruane) pointed out, pressures on such areas must now be addressed.

Mr. Martyn Jones (Clwyd, South): Does my hon. Friend agree that one problem facing areas of outstanding natural beauty is the burgeoning wind farm business which, even when outside the area, damage the aesthetic beauty of protected areas because they can be seen from them? Should not we be extending protection to those areas which are visible from areas of outstanding natural beauty?

Mrs. Organ: I agree. We would not have a wind farm in the Wye valley, but we might on the limestone escarpment at its edge, and, if that was visible from other vistas, it would detract from the landscape's beauty.

When the Hobhouse report designated our national parks and the areas of outstanding natural beauty, it left out one or two important areas, one of which was the Forest of Dean. As the hon. Member for New Forest, East (Dr. Lewis) said, the New Forest was also exempt from the designation. The Forest of Dean shares many of the characteristics of that landscape. We, too, have a verderers court and an area which is administered by the Forestry Commission. We do not have commoners, but we do have sheep badgers. That same mix of beautiful landscape and heritage linked to agriculture, forestry and the area's culture meant that the Forest of Dean was not included.

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Alan Meale): In answer to my hon. Friend and the hon. Member for New Forest, East (Dr. Lewis), who asked about the effect of the Government's decision in respect of the verderers and the commons—I am not sure about sheep badgers—I have given assurances to both the hon. Member for New Forest, East and the hon. Member for New Forest, West (Mr. Swayne) on a number of occasions that the particular status of both groups would not be affected by the Government's decision.

Mrs. Organ: I thank my hon. Friend for that information.

The Forest of Dean was left out and, over the years, we have considered ways in which to give our beautiful landscape some kind of designation to protect it. In the past, many areas have rejected the status of an area of outstanding natural beauty, seeing it as a second-class designation without the powers required to protect the landscape.

[Mrs. Organ]

Consequently, in April 1997, the then shadow Secretary of State for the Environment came to the Forest of Dean to see the problems facing the area. He said that the area needed special landscape protection, and that proposal has been taken forward by the Government. Land use consultants have come to the area and reported that the Forest of Dean is an area of natural beauty and of national value. We all knew that before, but it is nice to see it in a report. That report is now with the Countryside Agency, which has the remit to take forward consultation on exactly the kind of protection that the Forest of Dean should have and what area it should cover. That is obviously a matter for much wider consultation during the summer and autumn.

In the past, we in the Forest of Dean have rejected the status of an area of outstanding natural beauty because we felt that it would not provide the protection that we wanted for our beautiful landscape. Moreover, the designation is concerned only with the physical landscape; it pays little heed to an area's culture and heritage. It has very little interest in the social and economic regeneration and health of an area. I hope that the Government, in their proposed countryside Bill, will consider an area of outstanding natural beauty mark 2, which would have an holistic approach to the social and economic regeneration of the countryside and the protection of its landscape.

Many who wish to have their landscape protected may be a little chary of such a designation because it has a bad name. Many know that landowners on the edge of an area of outstanding natural beauty prefer to be outside the area rather than within it because they see such a designation as a prescriptive planning hand on the development of their agricultural businesses.

We need a visionary approach to a new area of outstanding natural beauty, rather like the parcs naturels in Europe, which are inclusive and have a certain remit for the area's economy.

Mr. Brake: Perhaps the hon. Lady is looking for national park status but with local management. Would she favour that sort of model, which might also be applicable to the constituency of the hon. Member for New Forest, E[illegible] (Dr. Lewis)?

Mrs. Organ: National park status also comes with its own problems. The national parks were rightly given a remit to provide leisure facilities for people from cities and other areas. There has been a problem, for example, in the Peak district, where the national park board has prevented the development of small rural activities and industries because it sees them as conflicting with the remit of the national park.

The Forest of Dean has an industrial background, although we are a rural community. We would resent not being able to develop our manufacturing sector in the villages and small towns of the forest. The direction in which a national park board wanted to move may work against keeping the economic livelihood of the Forest of Dean going. Although there would be certain advantages for others in national park status, we would reject it.

The protection of landscape of great beauty is done within a planning regime that is often seen to be restrictive and may not allow small rural and agricultural businesses to develop appropriately to keep people employed in the rural economy. There is a mismatch between the wish to enhance the natural landscape and the desire to keep it as a living landscape. People live and work in rural areas. A way forward that could be taken in a countryside Bill may be a land use planning designation that includes a wider remit to regenerate the local area.

I do not know whether my hon. Friend the Minister has read the land use consultant report for the Forest of Dean. I know that he has visited the area and has commented to me on the beauty of the landscape. I should be interested to know what he envisages for the Forest of Dean as a result of the consultation with the Countryside Agency. We have a great opportunity. I congratulate the new Labour Government on setting up the Countryside Agency with a wider remit than the Countryside Commission. There are opportunities for the Countryside Agency to come up with something visionary and new for areas of England and Wales of special landscape that will tackle the problem of preserving areas of great beauty while keeping a working countryside.

11.53 am

Mr. James Gray (North Wiltshire): It is a pleasure to take part in this important and so far well-balanced, interesting and well-informed debate. I pay tribute to the hon. Member for Gower (Mr. Caton) for calling it. I find myself in the awkward position, in following the hon. Member for Forest of Dean (Mrs. Organ), of agreeing with almost every word that she said. It is an unusual position for me to be in, but none the less I pay tribute to her. I am not certain that I agreed with quite so much of what the Liberal spokesman, the hon. Member for Carshalton and Wallington (Mr. Brake), said. I have had occasion before to comment in countryside and rural debates that his constituency is some distance from the nearest area of outstanding natural beauty—not that that precludes him from having a view on the matter.

Mr. Brake: I am happy to point out that Surrey hills and Box hill are approximately five miles from my constituency, so the nearest AONB is not a hundred miles away.

Mr. Gray: I meant no disrespect to the hon. Gentleman. He and I sit on the Environment Select Committee together and I never miss an opportunity to pull his leg.

Rather than being five miles from an area of outstanding natural beauty, my constituency incorporates two. The Cotswolds includes such marvellous places as the villages of Badminton, Castle Combe and Lacock and the North Wessex downs—I must not repeat my maiden speech. I have a certain amount of experience of living and working in two AONBs and I want to talk about that rather than, like the hon. Member for Carshalton and Wallington, looking into them from outside. There is an important distinction to be made. Often, people talk at great length about how fine the landscape is and how much we like to go on holiday to areas of outstanding natural beauty. I go to one in Cornwall and enjoy it as a holidaymaker. I go fox hunting in another one—I just thought I would throw that in for the benefit of the hon. Member for Carshalton and Wallington. We all like to go for picnics in AONBs and see them on chocolate boxes.

However, we are not talking about going to them for recreational purposes—we are talking about what they are, how they can be preserved, how they can be made better and how, as the hon. Member for Forest of Dean said, we can look after the people who live and work in them. Therefore, this is a useful and important debate.

I broadly welcome the thrust of the Bill currently in the other place, introduced by my noble Friend Lord Renton of Mount Harry. Much of the Bill is useful and it will strengthen AONBs in a variety of ways. It will impose a duty on local authorities to have due regard to and further the AONBs. Curiously enough, local authorities have not had to pay attention to them until now. The Bill institutes a duty to have a management plan. It is terribly important that there must be some kind of business plan stating how the AONBs will be managed. The Bill requires local authorities to consult conservation boards on planning. Those are useful provisions.

I have some reservations about the views of some interest groups including Friends of the Earth and the Countryside Agency, which believe that the Bill does not go far enough. They have talked about more stringent restrictions in AONBs. To go further than my noble Friend does in his Bill might cause some of the difficulties that the hon. Member for Forest of Dean mentioned.

The beauty of landscapes has not happened automatically over the centuries. They are not as God made them. If one walks in the Cotswolds, one sees a landscape that has been created by farming, hedgerows, walls, fields, sheep farms and the beautiful warm yellow buildings typical of the area. All those things were created by farmers, who are the caretakers of the landscape. The crisis in agriculture must worry all of us who care about AONBs. Not only past but current generations have created AONBs. My two—not exclusively mine, I hasten to add, but the two in my constituency—are traversed by the M4. People who like to denigrate my constituency say that it is junctions 16 to 18 of the M4 and a couple of miles either side of it.

Dr. Julian Lewis: Disgraceful.

Mr. Gray: That is disgraceful, as my hon. Friend correctly says. It is true that the M4 goes straight through the middle of my constituency. We have some vibrant companies such as Dyson, who makes his vacuum cleaners in Malmesbury right in the centre of the Cotswold AONB. Mr. Dyson is currently applying for planning permission to double the size of his factory from 1,100 employees to 3,000. The land is smack bang in the middle of an AONB. I have not yet come to a clear conclusion on the application. Do we say to Mr. Dyson, "Of course you must continue to expand. Your business is important to us. You employ up to 3,000 people"? Or do we say that the AONB is so overwhelmingly important that Mr. Dyson must be prevented from expanding and he can perhaps move to south Wales, Swindon or wherever? There must be a balance between considering the area as a picture on a chocolate box and considering it as a chocolate box within which real people live and work—a point made well so far in the debate.

We have to think not only about the beauty and the landscape, but about the economic and social attributes of the area and all the other things that go into the creation of an AONB such as that in my constituency. It is a living, working countryside. People who look at AONBs from outside forget about the rural poverty of many people in constituencies such as mine, and about the transport problems and the cost of petrol for people who live in an AONB. All they think about is going to an area of outstanding natural beauty on a Saturday to have a picnic. That is not what AONBs are about: they are about creating living, working places that are as vibrant as the towns.

I welcome the debate and many of the contributions. I thoroughly welcome most of the proposals in my noble Friend's Bill. However, I urge a little caution on the forthcoming rural Bill, which may be introduced in the next Session. We must find a way of preserving the beauty of our countryside that we inherited from our grandparents and ancestors, but we must never forget the vibrancy and economic importance of such areas. It is terribly important to maintain that economic vibrancy by preserving jobs and improving employment prospects in the area. We must constantly balance the everlasting, unchanging changelessness—in the words of the English Prayer Book—of the English countryside, which in my constituency straddles the vibrancy and economic importance of the M4 high-tech corridor.

12.1 pm

Mr. Damian Green (Ashford): I echo the congratulations offered by hon. Members on both sides of the House to the hon. Member for Gower (Mr. Caton) on securing this debate, not only because of the importance of the subject, but because it has given hon. Members the chance to take part in an imaginary tour of some of the loveliest areas of England and Wales, which is good for the soul and informs an important and topical debate.

Much mention has been made of the Bill before the House of Lords proposed by my noble Friend Lord Renton. It is worth putting on record that this House has held its own in the literary stakes. Those who are interested in the subject will have read the Second Reading debate on Lord Renton's Bill in the other place. It showed not only the expertise and experience that we have all come to expect from Members of that House, but it contained a surprising degree of poetry. Keats, Kipling and Wilde were quoted as illustrations of what AONBs evoke in some of our greatest writers. I am glad that, in our tour of the same subject, the hon. Member for Vale of Clwyd (Mr. Ruane) mentioned Gerard Manley Hopkins, and my hon. Friend the Member for North Wiltshire (Mr. Gray) mentioned the English Prayer Book. This House has held up its literary end.

I agree with the hon. Member for Gower about the necessity for a speedy response from the Government on the issues that have been raised by Lord Renton and by various environmental bodies, including the Countryside Agency. The Opposition welcome practical moves to improve the status and protection of AONBs. If the 1949 Act needs changing, we will not oppose any necessary moves in that direction.

It is worth mentioning in detail the ideas suggested by Lord Renton, partly because his Bill is closely based on the advice given to Ministers by the Countryside Agency—or the Countryside Commission as it then was. That advice fell into three main categories. The first was to establish statutory conservation boards on an opt-in and not a compulsory basis, which is an important distinction.

[Mr. Damian Green]

The second was to secure funding from central and local government, and the third was to strengthen the protection given by the planning system. I am sure that the Government will consider each of those three areas, and will ponder how best to put each of them into legislation.

I agree with hon. Members that the Government should proceed quickly, but I urge them not to mix the vital countryside protection measures that we all want with more politically controversial proposals. The Opposition will support sensible legislation that updates wildlife and countryside protection laws, but it must not be mixed up with damaging and controversial legislation, such as right-to-roam measures or any new attempt to introduce anti-hunting provisions.

The future of AONBs and other areas, such as sites of special scientific interest, is too important to be put at risk, which it would be if the much-delayed countryside Bill were designed to cause political controversy. With that caveat, I hope that the Minister will give us some assurance that of all the delayed Bills that his Department has not yet got into the legislative programme, that one will feature in the next Session. If it is limited to measures that are wanted by hon. Members on both sides of the House, Lord Renton and the many conservation bodies that take a deep interest in these matters, we shall give it a fair wind, although we shall obviously have detailed comments to make. I hope that that strengthens the arm of the Deputy Prime Minister in negotiations with his colleagues about what will appear in the next Gracious Speech.

This is an urgent measure, but each issue is complex. I shall deal with them in turn, as they appear in the Renton Bill. My hon. Friend the Member for New Forest, East (Dr. Lewis) talked about the need for co-ordination among the various bodies that currently have powers over AONBs. There is clearly a strong argument for statutory management boards built on the south downs model. It is wise for Lord Renton to propose making that optional rather than compulsory. Different circumstances obtain in each AONB, not least the practical problem of the number of different local authorities that are involved in controlling an area. I strongly believe that permissive powers are better than an imposed centralised structure.

One may well ask the valid question whether an additional tier of bureaucracy that may emerge in some areas is the best way, in practice, to protect the countryside. We are all interested in the countryside. As my hon. Friend the Member for North Wiltshire said, AONBs are not merely picture postcard areas. If the imposition of an extra tier of bureaucracy hinders sympathetic development, it may, in the long term, do no good to the preservation of the beauty of these areas.

The Minister should also consider the duty of local authorities to act sympathetically to protect AONBs. As well as a sympathetic attitude, we all know that money is very important. AONBs are the equivalent of national parks in terms of landscape quality, but not in other ways. It has been said that although AONBs may not be the ugly sisters, they are the poor sisters of the national parks. They do not get the same support as national parks. Many local authorities will feel that they are in the same position. I urge the Government not to impose new duties on those local authorities without giving them the money to perform them effectively. The Countryside Agency reckons that 50 per cent. of the core management costs should come from central Government; others are bidding higher at 75 per cent. Will the Minister explain his thinking on this issue?

Recreation is clearly another difficult area. Too much of it would destroy an AONB: not just its natural beauty, but the preservation of its flora and fauna. I congratulate the Sussex downs board on its success in hiding the 32 million visitors to that area each year—not least in hiding them from each other—so that its beauty is not lost. I am sure that the Minister appreciates this essential point: if we destroy the flora and fauna that constitute an AONB, they are destroyed for ever. Sympathetic recreation is extremely important.

I feel most dubious about my noble Friend's Bill in the area of compulsory purchase. I have two reasons for wondering whether extending the powers of compulsory purchase is an appropriate way of protecting AONBs. First, responsible private ownership has proved to be the best way of ensuring the long-term protection of a managed landscape. I am encouraged by the tone of this morning's debate to believe that there is no instinctive prejudice on either side of the House against private ownership and the advantages that it can bring to our countryside.

A few months ago, *The Field* magazine wrote:

"The old threat of nationalisation of the ownership of land has been replaced by a gradual move to actual nationalisation of the use of land."

That is an overly dramatic statement, but it is an important and legitimate consideration. As long as its private owners behave sympathetically, too much intervention in the landscape may do long-term harm. Bodies such as the Country Landowners Association and the National Farmers Union have pointed out—as did my hon. Friend the Member for North Wiltshire today—that the landscapes are both settled and managed. They are not empty areas where people go for the weekend to enjoy the chocolate box scenery. The work that has been done to such areas—and which continues to be done within them—makes them attractive. We must not turn them into museums.

In that regard, I pay tribute to the work of the Rural Development Commission—which ceased to exist this week. I know from its efforts in my constituency that it has worked hard to provide the support for small local businesses that allows people to continue to live and work in villages and therefore preserve the health of the countryside. I hope that the RDC's good work will be continued not only by the Countryside Agency, but by the regional development agencies.

Mr. Gray: Will my hon. Friend confirm that we are concerned that the voice of the rural areas may be lost on the regional development agencies unless the correct people are appointed to those bodies? Someone must assume the former role of the RDC and continue to fight the rural corner within the RDAs.

Mr. Green: I had restrained myself from making that point, but I happily agree with my hon. Friend. I also fear that the rural voice will be lost on the RDAs.

Although work should continue in AONBs, it is clear that they are not suitable for large-scale housing developments. The National Trust has expressed

its concern about the way in which new housing developments may be accommodated within AONBs to meet the demand for housing in rural areas. That is a topical issue in light of the release of Lord Rogers's report yesterday. An outcome of that report must be less pressure on AONBs for house building. I must admit that, although I live in hope, I have no great expectations. I agree with the editorial in today's edition of *The Independent*, which recounts the Deputy Prime Minister's response to the Rogers report. He said:

"It provides a wide range of interesting and forward-thinking recommendations to feed into ongoing work across Government and beyond'.

The Independent goes on to comment:

"It is hard to think of a phrase of Whitehall-speak to dampen enthusiasm faster."

New measures must be introduced quickly. The Countryside Agency, in its previous guise as the Countryside Commission, got it right when it said:

"We"—

that means all of us—

"have a duty to future generations to protect and care for these areas of beautiful countryside. If action is not taken, their integrity will crumble; their fabric will deteriorate."

I hope that the Minister will respond to calls for early legislation in this area. Such legislation must be practical, it must be based on the real needs of our countryside and it must not include measures that will damage the countryside. I hope that the Minister will bear that in mind and that he will win a legislative slot next Session so that the House may return soon to the consideration of this vital issue.

12.15 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Alan Meale): I, too, congratulate my hon. Friend the Member for Gower (Mr. Caton) and thank him for giving the House the opportunity this morning to celebrate the importance of areas of outstanding natural beauty in Wales and in England. I am particularly glad of the chance to respond to this debate.

My hon. Friend takes a special interest in AONBs and is very knowledgeable about them. As he demonstrated at the beginning of the debate, he is able to wax eloquently about AONBs in his constituency of the Gower, which—as he pointed out—was the first AONB to be designated in 1956. Because it was a trend-setter, the Gower clearly has a special place in the family of AONBs, and my hon. Friend's championing of it is typical of the loyalty and the pride that areas of special value inspire in people across England and Wales. My hon. Friend was certainly inspired by the countryside in the House this morning.

I was glad to meet recently my hon. Friend and a delegation from the AONB staff forum to talk about issues of interest and concern across the AONBs. As the name suggests, the staff forum is a grouping of the dedicated people who work in AONBs and who come together to exchange expertise and to champion the cause of conservation and the enhancement of those areas. At the meeting, they told me about some of the imaginative projects that are under way in our AONBs and of their concerns for the future. I look forward to meeting my hon. Friend and a further delegation from the AONB Association.

I turn briefly to a question raised by the hon. Member for Ashford (Mr. Green) in relation to the Rural Development Commission. I am grateful for the congratulations that he offered on the honourable work that that august body has performed and I agree with him wholeheartedly. However, I disagree with his interpretation of how the rural voice will be affected by its demise—a view that was also expressed by the hon. Member for North Wiltshire (Mr. Gray). I remind hon. Members that, when regional development agency boards were established, the Government insisted—this call has been repeated again and again by Labour Members—that the rural voice should be heard loudly in those august bodies.

We set out several criteria, the most oft repeated of which concerns the recruitment processes that we introduced for membership of RDAs. We insisted that if people failed the rural test in their interviews, they would not be appointed to the boards. Since then, in the context of RDA financing, we have insisted on a 20 per cent. ratio for rural and coastal communities and for coalfield areas—which, in most cases, straddle the two. That criterion is built into the economics of RDAs.

My hon. Friend spoke about the 50th anniversary of the National Parks and Access to the Countryside Act, which, I am proud to say, was enacted by the Attlee Government in 1949 and which provided for the designation of AONBs as well as national parks. I say that with pride because I was brought up in an urban coalfield area in the north-east of England.

One of the leading figures in passing the 1949 Act was Hugh Dalton, who was then the Member of Parliament for my constituency. He visited my parents on occasion to talk about matters of deep interest to him in his role as local MP. He used to wax lyrical about the importance of that legislation, as did one of my predecessors as Member of Parliament for Mansfield—Lord Bernard Taylor, who is, sadly, deceased. He was a leading figure and, at one time, Parliamentary Private Secretary to the Prime Minister, Harold Wilson. Lord Taylor was deeply engaged in the establishment of national parks and tried to build on the 1949 legislation. Like the hon. Member for North Wiltshire, I never miss an opportunity to mention such matters because, if nothing else, it makes me feel good. However, those matters are particularly relevant to today's debate. Various celebrations of that anniversary will occur this year, marking the successes that have been achieved while looking to the future. I cannot think of a more appropriate time, when we are about to enter a new millennium, for such celebration.

The formation of the AONB Association, in time for the 50th anniversary and over 40 years after the designation of the first AONB, is a demonstration of the increasing awareness of the importance of our AONBs. However, as my hon. Friend the Member for Forest of Dean (Mrs. Organ) pointed out, they have long been regarded by many as second-class citizens compared with our national parks, and many people who care for them are determined that this should no longer be the case. The AONB Association provides, for the first time, a channel for members of local authorities that look after AONBs, and others who are interested and involved, to further their common cause.

My right hon. Friend the Minister for the Environment and I very much regret that we have been unable, because of previous diary commitments, to take up an invitation

[Mr. Alan Meale]

to attend this year's conference of the AONB Association in Cirencester in September. Nevertheless, we wish it well, and hope to have the opportunity to participate in future events of that kind. I have given a commitment on that.

I am reliably assured that there are 37 AONBs in England and four in Wales. Those 41 AONBs all have special qualities, but they are very diverse in size and in landscape, ranging from one that includes the limestone grassland and pretty villages of the Cotswolds to one that is less than a twenty-fifth of that size—the salt marshes and cliffs of Arnside and Silverdale. Of course, we must not forget the Gower, which has an extremely varied range of coastal and inland habitats.

It is useful at this point to remember that the legislation recognises no distinction in the landscape quality between the two national landscape designations of national parks and AONBs. Each is regarded as being as beautiful as the other. The difference lies in the fact that national park designation relates not only to landscape beauty, but to wildlife and cultural heritage, and in the requirement for the parks to be substantial tracts of countryside that provide significant recreational opportunities. National parks have also traditionally been designated in our more remote upland areas.

The purpose of designating AONBs is, of course, to conserve and enhance the natural beauty of the landscape. Many of them undoubtedly also play a big part in meeting the huge demand for visits to the countryside, and they are visited by an enormous number of people who come for all sorts of reasons, as well as being enjoyed on a regular basis by those lucky enough to live in the area.

As everyone engaged in this debate is aware, the Government are firmly committed to protecting and enhancing our finest countryside. Indeed, we fully recognise the importance to the nation of our AONBs, which contain so many of our finest landscapes. We recognise also that the interests of the local communities who live or work in those areas are vital considerations. The contributions of farmers and other landowners to maintaining the landscape are of particular importance.

Mr. Tyrie: Will the Minister give way?

Mr. Meale: In a moment. First, I want to pay tribute to the hon. Gentleman's colleague, the hon. Member for North Wiltshire—which is almost as surprising as the hon. Member for North Wiltshire paying tribute to my hon. Friend the Member for Gower. I thank the hon. Gentleman for his remarks because in these debates we often lose sight of the role of the farming and countryside communities as caretakers of our rural areas. There often seems to be a lack of communication, and I am grateful to the hon. Gentleman for pointing out the important role of those communities.

Mr. Tyrie: The Minister has made clear his commitment to the principle of AONBs. I came fairly new to this subject and, as he probably knows, two years ago, my hon. Friend the Member for Arundel and South Downs (Mr. Flight) and I called for a debate to try to secure an extension to the south downs conservation board. The Government granted a three-year extension, which is due to expire in about 18 months. Before he concludes, will the Minister tell us whether the Government intend to make the arrangements for the south downs permanent? As he knows, and I have said before, there is widespread opposition to having a national park, but there is overwhelming local support for making the south downs conservation board permanent.

Mr. Meale: I hope to deal with that matter. If I can get through the rest of my speech in the next three of four minutes, I will give the hon. Gentleman that information.

Special consideration must be made of AONBs because of the recognition that their landscapes are of sufficient importance to have particular value to the nation as a whole. However, as I said earlier, we need to maintain a balance between that consideration and the need, which the Government's policy towards the countryside stresses, to sustain living and working communities as well as a good-quality environment.

We have heard today about the advice on the future treatment of AONBs which the former Countryside Commission delivered to the Government last summer. I can assure hon. Members that the subject of the advice—which related to the future status of the New Forest and the south downs, as well as making recommendations for AONBs generally—is never far from my mind or that of my right hon. Friend the Secretary of State, and our postbags always contain letters about those matters.

Hon. Members will not be surprised when I confirm that I shall not today make any statement about the Government's conclusions on those matters. I can, however, confirm that they remain under active consideration in my Department and that we intend to announce conclusions very soon. *[Interruption.]* That is better than soon.

I understand that the Countryside Council for Wales has delivered similar advice about AONBs, although, because of the nature of the Welsh AONBs, it does not see the need to provide for statutory conservation boards. Those will be matters for the Welsh Assembly to consider.

The Government are sympathetic to the need to do more to foster a positive approach to the management and protection of AONBs into the next century. In that respect, we have already demonstrated our commitment by providing the Countryside Agency with an extra £2.5 million for work in AONBs in England this year. That will make a difference. It more than doubles the funds that were available to the former Countryside Commission for the support of AONBs, and it will allow a considerable degree of progress to be made in putting in place new management plans and new programmes, and in helping to provide additional expert staff. We shall continue to monitor progress on that to find out what is being achieved and what more needs to be done.

A great deal has, of course, already been achieved in AONBs through the enthusiasm and commitment of local people, by local authorities and other local partners working together, by the Countryside Agency in England and by the Countryside Council for Wales. I understand that at least 26 of the 41 AONBs currently have a management plan in place, and a great many have an AONB officer or a joint advisory committee set up by their local authority.

Of course, because AONBs are very different in size and nature, there is not only one way of managing them or caring for them. Some lie solely within the area of one local authority, which is generally best placed to co-ordinate a management programme. Others stretch over long distances, often following a geographical feature, such as the Sussex downs. In that case, and in other cases, several local authorities are involved.

The experiment set up by the former Countryside Commission and the local authorities in 1992 to form a conservation board for the Sussex downs has in many ways brought us to where we are today on the question of AONBs. In conclusion—

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. We now come to the next debate.

Schools Funding (South-West Hampshire)

12.30 pm

Mr. Desmond Swayne (New Forest, West): I wish to draw attention to the £100 million that has been lost to the budgets of grant-maintained schools this year. In so doing, I shall focus principally on south-west Hampshire, because six of the nine secondary schools in the New Forest area are grant-maintained schools. They have become models of efficiency. Despite the fact that many of them have a very mixed social intake and have sought out and addressed special needs, they include some of the most successful comprehensive schools in the land.

On Monday, a BBC journalist approached me, preparatory to this debate, and suggested that the disproportionate success of grant-maintained schools in my constituency was a consequence of their rather generous funding, and that fairness required that that advantage be withdrawn and that all schools be placed in the same funding boat.

I would always suggest that the grant-maintained schools had enjoyed better funding, but I do not think that that equates to more generous funding. Grant-maintained schools—*[Interruption.]* If the Minister for School Standards will allow me, I shall point out that grant-maintained schools enjoyed a replication of the local education authority's locally managed schools budget, with a central add-on to cover the costs that would otherwise have been provided by the local education authority but which the schools were then required to provide for themselves. That gave the schools the liberty to spend that central add-on on their own priorities rather than on priorities determined for them by the local education authority.

Locally managed schools, under the local education authority, continued to receive quite significant discretionary grants throughout the financial year. However, they never enjoyed the principal benefit of being able to budget and plan on the basis of receiving that financing.

That form of funding for schools has now been brought to an end and replaced by fair funding. If by "fair" we mean equal, the Minister has achieved an objective, because all schools will indeed now be funded according to the same formula. Nevertheless, the grant-maintained schools have suffered a very significant fall in their budgets this year—so much so that the Minister has had to introduce a measure of cash protection to cushion them from the effects of that fall. The very existence of cash protection is a recognition of the less favourable environment that grant-maintained schools now enjoy, and that was not a Government objective.

That is a failure of the Minister's policy because, as the right hon. Member for Tyneside, North (Mr. Byers), the then Minister for School Standards, said, the Government's objective was not

"to cut the amount being spent on pupils in GM schools, but to increase the funding for pupils in other schools."

He said that he was engaged in a policy of

"levelling up."—[*Official Report, Standing Committee A*, 12 February 1998; c. 461.]

Levelling up is not the experience of grant-maintained schools in south-west Hampshire. I have in my hand a

[Mr. Desmond Swayne]

statement issued on 15 April 1999 by the headmasters of those schools. It may help to clarify the issue if I quote at a little length:

"We understood that one of the purposes of the Government's 'School Standards and Framework Act' was to extend the successful practices of the current Grant Maintained schools to all schools and the local education authorities were to be accountable for enabling schools to raise standards. Critical to the new Framework was the concept of Fair Funding . . .

Fair Funding should have extended the local management of schools formula to provide delegation of funds for almost all services to all schools, in effect incorporating elements of the Central Grant. As 8.7 per cent. was . . . agreed"

as the sum to be

"held back by the local education authority for such services, it would have been reasonable to expect that the local management of schools formula would provide additional delegation of this order.

Far from it. The extra delegated amount is nearer 2.8 per cent. and Grant Maintained schools typically find their income 5.9 per cent. short of their . . . commitments . . . Indeed, the reduction in real terms is so great that the extra delegation together with inflationary increases would give some Grant Maintained schools a cash income for this year some 4 per cent. lower than they received last year.

This situation triggers a measure of 'cash protection' which . . . leaves the schools funding this year's incremental drift, pay rises and inflation from the equivalent of last year's income. These schools will need to lose teachers and support staff, reduce expenditure on educational resources and postpone improvements. Classes will be larger, computers fewer, books older and buildings less well maintained. The position is reflected also in the reductions to other 'special grants' where, for example, income for training teachers and regular income for capital improvements will halve.

In 2000-1, if cash protection ends, the position for some will become even more serious and an additional wave of budget cuts, typically 4 per cent. equating to 3 or 4 more teachers, will be necessary."

That statement is signed by the head teachers of Applemore college, the Arnewood school, Burgate school and sixth form centre, Ringwood school, Testwood school and Hardley school and sixth form.

Dr. Julian Lewis (New Forest, East): Several of the schools that my hon. Friend has listed are actually in my constituency. I have a copy of a letter from Mr. Underwood, headmaster of Hardley school, to the chairman of the county council. Elaborating the thesis that my hon. Friend has advanced, he says:

"It is our contention that all schools"—

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. Interventions must be brief.

Mr. Swayne: I thank my hon. Friend the Member for New Forest, East (Dr. Lewis). Of course I am aware that Hardley school is in his constituency. He will be aware that, this year, as a consequence of this funding settlement, the school will have to function with 4.2 per cent. fewer teachers. It will be implementing a cut of some 20 per cent. in its funding of educational resources and it will have to spend its entire reserve, built up over nine years. Next year, if it loses its cash protection of £85,000, those problems will be compounded.

Mr. Christopher Chope (Christchurch): Does my hon. Friend agree that the same points apply to Highcliffe comprehensive school in my constituency, which is attended by many of his constituents?

Mr. Swayne: That is indeed the case. The principal problem that is highlighted by the headmasters is that the key central add-on is not being fully replicated in the new extension of the local management of schools settlement. The money is not being passed on to the schools.

Dr. Julian Lewis: Will my hon. Friend give way?

Mr. Swayne: If my hon. Friend will allow me, I must make progress.

This issue touches on the bureaucracy surrounding the local education authority, which I shall attend to in a moment.

When I drew the Minister's attention to the problem on 10 June 1999, I said that some schools had even introduced a measure of charging for lessons, which gave her an opportunity to lecture me on the nature of the law and gave rise to some very unwelcome press attention on those schools. On that occasion, I referred to charging for keyboard musical skills, which one school in my constituency had had to introduce as an understandable but regrettable consequence of the settlement. It is not breaking the law.

I now draw attention to the problems of the Arnewood school in my constituency. The Minister will be aware that we have a shortage of secondary schools in south-west Hampshire. It is very difficult to get into the Arnewood school, despite all sorts of expedients in the past few years to increase the capacity of the school. Even children living at the gates of the school who meet all the high priority criteria for entry to that school must be bussed to the constituency of my hon. Friend the Member for Christchurch (Mr. Chope) and cannot get into the school.

On 7 April, the headmaster wrote to me:

"I would like to draw your attention to the very significant funding difficulties that the Arnewood school is facing at the start of the new financial year. In general terms, we anticipate a drop in income this financial year of some £400,000, this with a level of protected funding without which in 2000-01 we can expect a cut of a further £200,000. In crude terms, this is a total loss of £600,000 over two financial years, which would mean losing 25 teaching staff."

I know, and the Minister knows, that not all those problems arise from the change in the funding of the schools. For example, £185,000-worth of the problem is the consequence of a mistaken formula used in the past for predicting the capitation of the Arnewood school. Nevertheless, the bald facts that the headmaster sets out in his letter are true.

In addition to the loss of funding, the damage done to grant-maintained schools is compounded by their finding themselves back under the dead hand of the local education authority's bureaucracy, from which they thought they had escaped. To give the House a taste of that, I shall treat it to a vignette, for which I am indebted to the headmistress of the Burgate school, who provided me with it. The letter is from Hampshire education authority.

Mr. Deputy Speaker: Order. I gave the hon. Gentleman some leeway in allowing him to read out the entire contents of a headmaster's letter. I would not appreciate another letter being read into the record. Perhaps the hon. Gentleman will paraphrase the letter from the education authority.

Mr. Swayne: I shall be brief, Mr. Deputy Speaker.

The letter is about the need to measure the floor space of grant-maintained schools. It explains why it is necessary to measure the floor space and adds, happily, that this feast of floor measurement will be an annual occurrence.

Before headmasters resign in horror, they should thank their lucky stars and count themselves fortunate that they live in Hampshire, which, despite the absurd machinations of the floor-measuring department, is a very good local authority. Hampshire emerged rather well from the statistics published last week. It passes on more than the entire standard spending assessment to schools. Administrative costs are only £76 per pupil in Hampshire, compared with the national average of £82. Hampshire consulted widely before deciding what proportion of its funds would be delegated to schools and what it would retain. The Minister must appreciate, however, that, last year, grant-maintained schools enjoyed 100 per cent. of their budgets and not, as this year, 85.2 per cent., with some services in kind, which the schools may not require and may not value.

Nothing could illustrate more graphically the policy blunder into which the Secretary of State has stumbled than the release last week of statistics and the attempt to name and shame local authorities. The principal instrument of raising school standards chosen by the Government is local education authorities. Their record on school standards is not a glorious one. Although the dispute has degenerated into an argument between the Secretary of State and the Local Government Association about how accurate the figures are, it is clear that the Secretary of State has a measure of reserve about the competence and motives of education authorities. Why did he bring grant-maintained schools, which were enjoying an efficient means of funding, back into the less efficient method of funding of local authority schools?

I suggest to the Minister that it would be more appropriate to proceed from now on by providing a budget directly to schools on the basis of the locally managed formula. I suggest also that the Government should make separate provision for funding what the hon. Lady regards as the proper functions of the local education authorities. She could then be sure that schools would obtain the funds that she thinks it proper they should receive, without putting herself in the absurd position in which the Secretary of State has placed himself. The right hon. Gentleman is now to be seen standing on the touchlines shouting at the players—in this instance, the LEAs—in the hope that they will take notice of what he is saying. The Government have chosen local education authorities as their instrument, but the figures released last week show that there is a complete lack of confidence—or at least some lack of confidence—in the LEAs. I hope that the Minister will take up my suggestions, and I give her that opportunity now.

12.46 pm

The Minister for School Standards (Ms Estelle Morris): First, I congratulate the hon. Member for New Forest, West (Mr. Swayne) on securing this debate and thereby giving me a longer time than I ever have when responding to Education questions to contribute to a debate that started with correspondence that has continued throughout the year.

Secondly, I acknowledge the interest shown by the hon. Gentleman's neighbouring colleagues, the hon. Members for Christchurch (Mr. Chope) and for New Forest, East (Dr. Lewis). I accept that they wish to do the best for the children in their constituencies. However we might differ about the different funding of education, I acknowledge a deep-seated commitment on both sides of the House in recognising that the future of our children matters. That is why it is so important to get school funding and what happens in school correct.

It was interesting to listen to the hon. Member for New Forest, West. There are 30 schools in his constituency, of which about half a dozen are grant maintained. It is interesting also that, although he spoke for slightly more than 15 minutes, he said not one word about any of the schools in his constituency that are not grant maintained. I applaud, as does the hon. Gentleman, the high standards that are attained by the GM schools in his constituency, and everywhere else. However, I wish to acknowledge—the hon. Gentleman failed to do this—the high standards that are achieved by many schools in his constituency that are not grant maintained, and have not had favourable funding in recent years. It is a cause for celebration wherever there is excellence, and not merely because excellence happens to be in GM schools. I regret that, in that regard, the hon. Gentleman's speech was somewhat one sided.

Mr. Swayne: Will the Minister acknowledge that local education authority schools in Hampshire are enjoying an increased settlement this year as a result of the improved locally managed formula? The problem is being faced by the grant-maintained schools, and that is why I dwelt on them.

Ms Morris: I an glad that my attack at least brought the hon. Gentleman to acknowledge the improved funding for most of the schools in his constituency and throughout the county since the Labour party came to government. He failed to say that the standard spending assessment in Hampshire has increased by almost £50 million during the first two years of the Labour Government, compared with a 5 per cent. increase over two years under the old county boundaries formula. That means that for children in the hon. Gentleman's constituency there has been a real increase of 6 per cent. for primary schools and 4 per cent. for secondary schools. That is to be welcomed.

When we took power, we were faced with a funding system that discriminated against children. That was not because some children were less important or needed less finance. They were discriminated against because their parents had chosen to send them to schools that did not have a GM label. The hon. Gentleman acknowledged—we must all do so—that, under the Conservative Government, there was a funding differential that was based merely on category of school. That Government had the necessary power and authority, and they could have found the resources to level up. They could have ensured that every school received the funding level that applied to GM schools. However, there was the ridiculous situation of budgets for GM schools increasing year by year in terms of revenue and capital, while real budgets for children in the vast majority of schools fell. I wonder how many angry words were spoken in the House by Conservative Members before the election on behalf of

[Ms Morris]

the vast number of children who were educated under the previous Government in schools whose funding decreased year by year.

Dr. Julian Lewis: Will the Minister give way?

Ms Morris: Yes, but I give warning that, because of the extra time taken by the hon. Member for New Forest, West, this will be the last intervention I shall take.

Dr. Lewis: I thank the Minister for giving way so that I can get in a completed comment. Is not the problem that the Government have said that they will level up and extend the funding advantages from grant-maintained schools to the rest, even though the effect of those changes is that over half the central funding, which was being distributed by the GM schools, is now being retained—by the county council in our case? That means that the funding environment for the GM schools is less favourable and, thus, the Government's promise has not been fulfilled.

Ms Morris: That is the crux of the argument made by the hon. Member for New Forest, West. I shall deal with that now.

The previous Conservative Government acknowledged that there was an element of double funding for grant-maintained schools—that point was first raised by the Select Committee on Education, which had a Tory Chairman—and, well before the election, they introduced a degree of parity to the funding mechanisms. To some extent, we have furthered that. The argument revolves around the addition that was made for central functions held back by the local education authority.

On the element of double funding, the hon. Gentleman is right to say that that central annual maintenance grant gave schools extra money—I accept the figure of 8.7 per cent for schools in Hampshire—because they would no longer need the services of the local authority on which that money was spent. Hon. Members know that those schools were not charged for that money, but received the same service free from the Funding Agency for Schools. That is the element of double funding—it was delegated to those schools as central AMG, but not charged to them by the FAS. Central Government picked up the tab. We can debate that arrangement, but no hon. Member can justify it as fair and reasonable or as a funding system with which we should continue.

The previous Government remedied the error in the funding formula, and we have continued with that. I take the view that local education authorities need to do certain things, some of which concern managing the funding formula. When local authorities did not undertake such management for GM schools, the FAS did it. Someone has to manage the admissions system and the surplus places and make sure that there are sufficient places for children in LEA areas. That important measure, to which the hon. Gentleman referred, does not come free; it has to be paid for.

Schools do not want to have to manage those services by themselves—indeed, they cannot do so—so an element of what was central AMG has to be kept back by local authorities, and that has to be part of the education budget. Much of the dispute is about that remedying of the double funding element of central AMG.

Like the hon. Gentleman, I congratulate Hampshire education authority on the way in which it has delegated funding. Compared with other local authorities, it is to be praised. Although we always want more and are never complacent, I shall not criticise it on this occasion. It has delegated 85.2 per cent. of its funds to schools compared with 82.4 per cent. nationally and 83 per cent. for all shire counties. That increased delegation and the fact that Hampshire has passed the increase that the Government have secured on to the education budget means that every school in his constituency will benefit from increased funding, as he acknowledged.

I have two more points to make. On transitional funding, I admit that it is not easy to move from a funding system that was not fair and just to one that treats children on the basis that they are of equal value and have equal need for funding. Managing that transitional arrangement is not easy. We have acknowledged the contribution made by GM schools to the debate about schools' ability to run themselves. Much of the fair funding formula and much of the work that we have done take the best from the GM system as well as the best from the system of financing maintained schools.

Last year, we offered transitional protection at cash levels based on pupil numbers. Although the hon. Gentleman did not do so at Question Time, I am delighted that he acknowledged today that some of the difficulties of Arnewood school—and of another school, which may be in the constituency of one of his hon. Friends—arise from the difference between the number of pupils who attend the school and the number who were forecast to attend. Against the predictions of the LEA, the FAS decided to fund Arnewood school at such a level last year.

Whatever funding system was used this year, and even if the FAS had been managing the funding arrangement, there would have been a clawback from Arnewood school because pupil numbers were inaccurate last year. Indeed, it has come off better because transitional protection gave it protection based on its funding last year. The money that would have been clawed back in other circumstances was not clawed back. A bit of me says that the hon. Gentleman protests too much on behalf of Arnewood school, although I acknowledge the difficulty that transitional funding can offer.

We have to remember that every school that receives transitional funding is receiving more money than a comparable school in the local education authority area. I say to Conservative Members that that is a criticism not of the funding that we have put into schools and the funding mechanisms that we have employed, but of the funding that most schools had to put up with in the years of Tory government. The key point is that such schools are receiving more than schools in similar circumstances. As we enter a period of increasing education budgets, the funding of all schools will increase to match the level that favourable funding gave to GM schools before the general election and beyond it.

Teachers have received an above-average pay increase in the past year, which I welcome, and, for the first time in many years, their increase was not phased, which meant an extra cost for school budgets. I have always been sympathetic to the position in which that put some

schools—not some LEAs—so I am delighted to tell the House that, this morning, my right hon. Friend the Secretary of State announced in his speech to the inaugural meeting of the Association of Heads of Foundation and Aided Schools that transitional funding will be offered next year and will be uprated at 2.5 per cent. to take account of inflation.

We are being true to our word. We offered transitional funding for GM schools during our first year. We increased budgets throughout the local authority area so that the vast majority of schools in the hon. Gentleman's constituency could benefit. Transitional funding will continue next year and the budgets of GM schools will increase by 2.5 per cent. to take account of the pressures to which I have referred.

I was delighted to read a press release from Bob Lloyd, the chairman of the newly founded AHFAS, which says of my right hon. Friend's announcement:

"This is good news for all schools. We are delighted that David Blunkett has listened to the concerns raised . . . by AHFAS that the Government's increase in education funding was not being passed on to schools by LEAs. He is now taking action to ensure all schools are properly resourced."

That was our pledge at the general election and it now comes not only from the mouths of Labour Ministers, but from people who have been properly elected to represent foundation and aided schools. Bob Lloyd's remark that the Government are

"now taking action to ensure all schools are properly resourced"

means that, for the first time, extra money will go to schools based on need, not on category. I hope that the hon. Gentleman will welcome that announcement.

Genetically Modified Food

12.59 pm

Mr. Alan Simpson (Nottingham, South): I doubt whether anything that I shall say in this debate will come as a surprise to the Minister, who has been assiduous in dealing with the welter of parliamentary questions that I have tabled on genetically modified foods and their implications for human and environmental health. I am pretty certain that he will already have read the Bill in my name—the Genetically Modified Food and Producer Liability Bill; I am equally certain that he will have seen the "Soapbox" documentary platform that I had on this subject; and I am fairly certain that he will have heard the "Farming Today" interview that I did this morning. He may at that time already have been out feeding his civil servants. I offer those introductory comments as a tribute to the Minister's assiduous commitment to public standards and food safety.

I want to use this opportunity to give equal praise to the national campaign that Friends of the Earth is launching today on the safety of food, specifically GM food. The campaign seeks to set up a platform that establishes society's basic rights and responsibilities, which, sadly, we do not fully have but which are entirely consistent with the values with which the Labour party came to office. When we came into government, we said clearly that the society that we wanted to take part in shaping had to strike a balance between rights and responsibilities.

I believe that the campaign needs to address three rights and two responsibilities. The rights are fairly simple: the right to know, the right to say no, and the right to grow safe food. Those rights must be balanced by the responsibility to protect the environment in which we live and the responsibility to put right the damage done to that environment.

On the right to say no, European Environment Ministers have recently been involved in discussing the framework of constraints that should exist on releasing GM organisms into the environment. I welcome the fact that they have tightened the rules within the past week, although I would have preferred it had they gone a couple of steps further and recognised the strength of the case for a moratorium on GM crop growing. There is still time for a decision to be reached on that.

One of the arguments used was that we may not be able to go as far as a moratorium because it could be illegal; that it would somehow interfere with international trade agreements. As such, it would require us to abandon one of the most important principles that has guided us through the ages: the right of countries, both nationally and internationally, to lay claim to the precautionary principle. That applies to medicines, drugs and all types of new products. It means that if we are uncertain about the risk to human or environmental health, we have the democratic right to say no and to define a pause within which to reflect on the risks involved. It cannot be right that trade treaties override the obligations to put public safety first that democratically elected Governments have to the citizens who elect them.

The second right, which follows, is the right to know. A huge amount of the debate on GM foods has focused on how much—or how little—we know about the foods that we already consume. It is extremely important that

[Mr. Alan Simpson]

we go further down that path. It allows the public to exercise an informed choice and does not allow the food chain to be polluted, as it has been, by GM foods being secreted into it without allowing the public to make an informed choice.

Mr. David Tredinnick (Bosworth): The hon. Gentleman and I have discussed this matter before. As he knows, the Statutory Instruments Joint Committee, which I chair, recently reported to Parliament on the Food Labelling (Amendment) Regulations 1999. The Committee was concerned that the regulations did not require suppliers to state clearly on a product that it contained GM organisms. There was thus a danger of consumers buying GM foods without realising it. The Minister wrote to me, as Chairman, asking the Committee to look at the matter again. I am not sure that the Committee can "unreport" what it has reported but it will look carefully at the matter.

Despite assurances that the Ministry had consulted widely, I am mindful of what Friends of the Earth—

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. I must interrupt the hon. Gentleman.

Mr. Simpson: I thank the hon. Member for Bosworth (Mr. Tredinnick) for raising the issue of labelling. I know that the Minister takes it seriously because I have raised it with him as well. I hope that the hon. Gentleman will deal with it in his own speech.

I should like to direct my comments about the right to know in a slightly different direction. One of the great frauds that have been perpetrated by the biotechnology industry on our democratic process is that we have been persuaded to accept a complete contradiction. We are told that genetic modification is revolutionary technology, yet that GM crops are no different from traditional crops—that we can deal with GM products as though they are equivalents. That is the term that has been used to push revolutionary products as though they were simply novelties.

We need to step back and reflect on the case to be made for moving the scrutiny process for GM crops from the food Acts to the medicines Acts. I have a fairly simple example for the House. It is now possible to produce a potato with its own insecticide factory chugging away inside it as it grows, thus avoiding the need for extensive spraying of pesticides. However, if someone were to go into a garden centre and buy pesticides off the shelf, cautionary warnings about the health risks from those pesticides would be spelled out in large letters. A potato with the same pesticides inside has no health warning attached.

There has been no scrutiny process that has allowed us to study not only the long-term implications for human health, but the short and long-term implications for the eco-systems within which these crops are grown. We need to establish new benchmarks against which scientific scrutiny can be measured if we are to have any confidence in the industry's claims.

The third right is the right to grow safe food. It is important to stress that this is not an anti-agriculture argument. Indeed, it is an argument in favour of agricultural rights. It is in favour of traditional agricultural processes and the protection of farmers' rights against the processes that are unfolding globally in terms of corporate exploitation of the land and the growers of food.

Last September, David Chaney, a farmer in Kentucky, pleaded guilty to a crime and was fined $35,000. He had pleaded guilty to the heinous crime of saving and replanting seeds—in this case, soya beans. He had to pay that fine to Monsanto because the soya beans had been supplied by Monsanto under new product licences, driven by patent protection, whereby there is an everlasting obligation to pay to the biotech companies royalties on their seeds. That seems perverse.

Suddenly, the whole history of human agriculture is on trial. To prosecute farmers for saving and replanting seeds is like prosecuting birds for flying, people for breathing or fish for swimming. It is the basis on which agriculture depends. Farmers have historic rights to save seeds—rights on which societies have always depended. We need to set down benchmarks that protect farmers' rights to save and propagate their own seeds.

I am pleased that in November last year a different farmer, Percy Schmeiser of Saskatoon, Canada, decided not to plead guilty because he had not bought any Monsanto seeds. They had simply turned up growing on his land. Monsanto prosecuted him, but he has put up a resolute defence, saying that if the seeds got on to his land, Monsanto should prosecute the wind and the bees—or perhaps he should have the right to prosecute Monsanto for an act of pollution and intrusion. The polluter should be prosecuted, not the farmer who ends up with the responsibility of clearing up the pollution.

In a press release on 29 September last year Monsanto, far from being apologetic, celebrated the fact that it had 475 such prosecutions across 22 states, with another 250 in the pipeline. They were all against farmers who had saved seeds. That nailed the lie that GM foods are about feeding the world. They are about biotech corporations seeking to take ownership of the global food chain. We need to protect farmers and the public against such monopolisation and takeover.

Mr. Norman Baker (Lewes): The hon. Member for Nottingham, South (Mr. Simpson) has done a public service by securing the debate and saying what he has said. I wholeheartedly agree with him. Does he agree that, given the piranha-like behaviour of the biotechnology companies, it is important that liability issues should be clearly established so that we know what rights farmers and consumers have? If something goes wrong with the environment and there is pollution of a farmer's fields or further on in the food chain—let us hope that there is not—it should be clear who is liable. It will not be the farmer or the consumer, but those who are seeking to introduce alien technology to our countryside.

Mr. Simpson: That is absolutely right. I congratulate the hon. Member for Lewes (Mr. Baker) on the work that he has done on pushing that point forward. We must take the principle that the polluter pays much more seriously. I hope that recent changes in the framework agreed for the European Union may move the debate on beyond producer liability for processed food to liability for primary agricultural produce.

There must be a framework of clear, corporate liabilities for making good the damage that is done. That is one of the cornerstones of the Friends of the Earth's

campaign that is being launched today—but before I touch on that, I should like to take the House back a couple of steps.

I am always confident that the Minister will have researched the background to the issues rigorously. However, he may not know that my starting point on the issue probably dates back to my mother. I remember being taken around the supermarkets as a child. I was a willing helper, loading my mother's shopping trolley. That worked well until I was stopped from putting something into the trolley. My mother refused to allow a tin of Argentinean corned beef to cross the front line of her shopping trolley because there was a huge food scare at the time about the safety of Argentinean corned beef.

My mother was an urban warrior, defending her right to feed her children safe food. I suspect that her inclinations are identical to those of most parents today, who make the same presumptions. They will not allow food that they believe may damage their children's health into their shopping trolley. Today's campaign may not be led by my mother, but it is led by the massed ranks of the Women's Institute, by Prince Charles and by the collectivity of environmental organisations around the country. They are telling the major retailers that we intend to hold their boards of directors corporately and personally liable for every aspect of environmental damage or damage to human health that follows from the introduction of GM crops into the environment. That responsibility needs to be locked into the centre of the debate taking place in this country, which also needs to take place in the House.

We have to see where the front line of democracy is being redefined. At times, the democratic debate is led from the House; on this issue, it has been led from outside. In many ways, the defence of democracy has moved from the Bar of the House to the barcode of the supermarket checkout, where the massed ranks of the public will be actively engaged in a process of not consuming food that they believe to be unsafe. I hope that we can persuade the environmental movement to go a step further. As well as defining the liabilities and responsibilities of producers, we could get them to introduce a different form of loyalty card. Every supermarket chain in the land seems to have its own loyalty or reward card. I should like to see the launch of a "loyalty to the land" card that people can hand in at the checkout, notifying the store that the bearer does not wish to purchase any goods with GM ingredients. The right to reject is also the right to choose safely and confidently.

I hope that my hon. Friend the Minister will also want to associate himself with a non-negotiable commitment to a safe environment, a more rigorous scrutiny process and the right to put loyalty to the land and loyalty to the public before the right of corporations to exploit the food chain and to enslave farming communities.

1.17 pm

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. Jeff Rooker): I congratulate my hon. Friend the Member for Nottingham, South (Mr. Simpson) on securing the debate. Without devaluing his other comments, I want to concentrate on the central issue of product liability. I congratulate him on his recent private Member's Bill, the Genetically Modified Food and Producer Liability Bill. We often hear too many speeches of complaint in the House and not enough follow-up action with parliamentarians using this place as a tool to achieve action. This is a working environment. The honour of being a Member of Parliament is a tool to be used. I do not expect that his Bill will make much progress in this Session, but that is not the intention. The Bill is a vehicle that can be ridden through many Sessions.

I cannot comment in detail on the difficulties of the farmers that my hon. Friend mentioned. I saw interviews with some of those farmers on television recently. The situation is not as clear cut as some people might think. It is not the norm for farmers to be able to save any old seed. There are very tight rules and controls governing the use of many seeds under the direction of the consent holders. Those who have researched the technology have intellectual property rights and are entitled to a return. Genetically modified foods are not in a separate category. That applies to many hybrid seeds that farmers want to use and which they have to purchase separately.

The other night, at a meeting in this place, I heard about the way in which seeds have been developed by a technique that I believe is known as mutogenesis. That horrified me far more than anything that I have heard about genetically modified seeds. If the public knew what had happened to seed development over the past 30 years there would be far more debate in this place, because that has happened in an unplanned way, with seeds being bombarded with radiation in the hope of something being developed that might be useful as a crop. We know far more about GM crops and foods than we know about their non-genetically modified equivalents. It is amazing, but most of the foods that we eat have not been subject to toxological examination as GM foods have been.

In response to what my hon. Friend said about potatoes that contain their own pesticides—we may call them biocides—I must make it clear that those potatoes are neither on sale here nor being grown commercially. Yes, technology is being used, and a vehicle may be developed to give us crops that contain their own armoury against the bugs that would otherwise eat them before we human beings get the chance to eat them.

The way in which those products are regulated is crucial because they are both a food and a pesticide at the same time. We must be very careful about how they are put on to the market. Part of our weaponry is to ensure that food is safe and does not contain products harmful to human beings. We examine thousands of products a year, looking for hundreds of different pesticides that may remain in them although they should not be there.

Early tomorrow, we shall publish a survey of pesticide residues in pears, which for the first time will specify brand names. A certain pesticide that is not allowed to be used in this country has been found in large but not harmful quantities in imported produce from Holland and Belgium. We shall give the details of where those products were purchased, both by supermarket and by country. We are policing the system all the time, and that is crucial.

As my hon. Friend said, we must bear in mind the right to know. There have been substantial changes in policy over the past two years, and we now publish veterinary medicine residue surveys, pesticide surveys and chemical contaminant surveys, with products identified by brand name. That puts a much greater onus on the importer and the producer to ensure that they know that their food is absolutely safe, and as clean and pure as can be.

[Mr. Jeff Rooker]

My hon. Friend talked about product liability. He will know that on 3 February, in reply to an intervention on a debate on the same subject, I said to him:

"Civil liability for damage caused by genetically modified organisms is covered by common law developed in the courts. On the basis of common law principles, the firm holding the marketing consent for the GMO crop can be held liable in law for any damages arising from ill effects attributed to that crop. As I have made it clear in a scrutiny Committee upstairs, the Government support the proposal in the European Commission Green Paper on food law to extend product liability to primary agricultural producers."—[*Official Report*, 3 February 1999; Vol. 324, c. 864.]

Producers and importers of most products have indeed long been liable for any damage caused to consumers by defects in their products, but, under the EC directive on product liability, that is applied only to processed foods, not to primary agricultural products and game.

That has changed since I spoke on 3 February. The recent extension of the scope of the directive means that it now covers the whole food chain. The United Kingdom Government fully supported the move, and the Department of Trade and Industry is taking the lead in implementing the extension. As a result, consumers will be able to sue for damages caused by fresh or processed food without having to prove producer negligence—a small but important step in improving compensation rights for consumers. Those EU rules were adopted on 10 May, and will have to apply throughout the EU by 4 December next year.

I recently gave evidence to the Environmental Audit Committee when it was producing its report on GMOs and the environment, which also considered the issue of liability for environmental damage. Its report notes that, in the United Kingdom, liability for environmental damage is currently governed by the normal rules of tort law.

The issue of liability was considered by the Council of Ministers in Luxembourg last week as part of the debate on the revision of the directive on releases of GMOs. The UK issued a minutes statement calling on the European Commission as a matter of priority to consider, outside the framework of directive 90/220, the feasibility of, and the possible criteria for, a liability regime or regimes to cover the release and marketing of GMOs. In relation to liability for producers and those who own and control the technology, we are therefore tightening up at every possible opportunity throughout the food supply chain.

Two of the other issues are consumer choice and labelling. We are determined to secure consumer choice, which can and has to be achieved in two ways. The first is effective labelling, and the second is ensuring that there are alternatives. That is why we took the initiative a year ago in publishing on our website the details of 60 suppliers of non-GM soya that could be accessed by British food producers.

Within a month of coming to office, we also changed the policy on specifying ingredients on labels, which the previous Government had declined to do. Indeed, they said that there was no need for separate labelling because such foods were neither technically nor nutritionally different.

We introduced the regulations for packaged foods from 19 March. Labels must now conform to them, and it is a prosecutable offence if they do not. We gave the catering industry a six month lead-in, until 19 September, for non-packaged foods. That is the issue that the hon. Member for Lewes (Mr. Baker) raised, and wrote to me about, confusing the issue completely in the process.

On Friday, we shall publish the guidance notes on the regulations. I agree that they come three months down the line, but everyone knew what the plan was. They will now be published and distributed to 500,000 food establishments, so that there can be no doubt about what the rules are.

Propaganda against GM foods is often illustrated by a picture of a tomato, or we might see someone dressed up as a tomato. That is nice and convenient—tomatoes are lovable products—but I must tell the public that there are no GM tomatoes on sale or imported into this country.

Mr. Baker *rose—*

Mr. Rooker: No, it is impossible to give way.

There are only three products that have been regulated and are on sale in this country. The first, as my hon. Friend the Member for Nottingham, South knows, is GM tomato paste based on a variety of tomatoes developed by Zeneca in his own constituency, at Nottingham university. The tomatoes are grown in California and the tomato paste is imported. The other two products are maize and soya, which are also imported. There are no fresh tomatoes. However, because of misleading publicity, there has been a big drop in the sale of English tomatoes. People think that they are genetically modified, but they are not.

When the propagandists are at work, the points have to be balanced and we have to put the argument across as fairly as possible. We must avoid using misleading propaganda to make our case. There is plenty of evidence on both sides of the argument, for those who want to debate it rationally, and using misleading images to make a point is not the best way.

Mr. Baker *rose—*

Mr. Rooker: I am sorry, but it is impossible to give way now.

There have been several debates in the House on the subject, and there will be more. There have been more Select Committee inquiries, and other inquiries, published on the subject in recent months than on any other subject that I can recall. Nobody has come up with a shred of evidence, medical or scientific, that there is any problem with the safety of GM foods compared with the non-GM alternative. It is not as if we have not looked for such evidence; we have.

We have taken stronger powers, which were published on 21 May, to increase and open up the regulatory process. The new advisory commission on agriculture and the environment, whose members are currently being advertised for, will, I imagine, want to take on board one of the issues connected with the potatoes as early as possible. It will be an overarching body, and consumers will be represented on it, so I expect that it will press the regulatory committee and the scientific committees on whether GM foods should be regulated as pesticides, as a food, or both. The rules are different in each case.

We have taken positive action on a series of issues, and we will not stop there. The setting up of the Food Standards Agency is another way of dealing with food

safety. The advertisements for the board and commission have appeared this week, and the Food Standards Bill is now passing through the House.

I congratulate my hon. Friend on making good use of the Floor of the House, and the procedures of the House, to advance his case. In general, we do not disagree with the points that he makes, especially those affecting the safety of food and the information available to consumers.

Hospitals (Mid-Essex)

1.29 pm

Mr. Simon Burns (West Chelmsford): I rise both in sorrow and in anger to raise on behalf of my constituents the important issue of hospital waiting lists and ward closures at Broomfield hospital in the Mid Essex hospital trust area.

The Labour candidate in the general election campaign in West Chelmsford was a national health service consultant who spent a great deal of time criticising the previous Government's record on health care in West Chelmsford and elsewhere. I vividly recall a leaflet that was distributed, saying that he was proud to support new Labour's early pledges, one of which was to cut NHS waiting lists in West Chelmsford and the rest of the country.

I am devoting this debate specifically to my constituency and its problems. Some of my constituents were convinced by the rhetoric that new Labour would bring a new Jerusalem in health care and that if they turned up at Broomfield hospital for an operation, there would be consultants and doctors waiting at the doors, fighting to be first to operate on them. Sadly, that has not happened.

Over the past two years, the number of my constituents on in-patient waiting lists for 12 months or more has risen from 104 to 1,093. Too many of my constituents write to me to complain bitterly about operations being cancelled—in far too many cases not once but twice—because Broomfield hospital cannot provide the treatment as originally arranged.

There is a problem nationally that will come back to haunt Mid Essex with a vengeance in the current financial year, concerning what has happened to the 13-weeks-plus out-patient waiting list of people who need to see a consultant before even getting on to a hospital waiting list. In March 1997, there were 555 such people in mid-Essex; now the figure is 2,422, and I suspect that it is still rising.

The total waiting list figure has risen from 8,391 in March 1997 to 9,961 this April: a rise of almost 1,600 people. I asked the Minister then responsible, who is now Chief Secretary to the Treasury, what was the agreed waiting list target reduction for Mid Essex for 31 March 1999. His junior colleague the Parliamentary Under-Secretary of State for Health, the hon. Member for Barrow and Furness (Mr. Hutton) replied:

> "The agreed waiting list target reduction for the Mid Essex Hospitals National Health Service Trust is to a list size of 9,738 at the end of March 1999."—[*Official Report*, 2 November 1998; Vol. 318, c. *416*.]

Unfortunately, the task force was not even able to ensure that that target was met. In March 1999, just over 200 people above the target were on the waiting list.

I accept that the total waiting list figure, having ballooned from 8,391 two years ago to more than 11,500, has come down to 9,961; but that is still unacceptably high. I even questioned the Prime Minister on the problem. I accept that the right hon. Gentleman is not expected to know the intimate details of every health trust in the country, but my constituents would have found it more helpful if he had said that he would look into the problem and get back to me.

[Mr. Simon Burns]

Instead, the Prime Minister, as has become familiar under new Labour, came back with the soundbite on the wider scale, telling us what was happening nationally. Interestingly, he also said:

"we are putting in . . . more nurses, more doctors and more capital spending—everywhere, including mid-Essex".—[*Official Report*, 9 June 1999; Vol. 332, c. 648.]

That sounded optimistic. I thought that perhaps the Prime Minister knew something that I did not know that was going to help my constituents.

I tabled a question to the Secretary of State for Health about those

"more nurses, more doctors and more capital spending"

in Mid Essex. His junior colleague the Minister of State, the hon. Member for Southampton, Itchen (Mr. Denham), replied. I hope that I am not harming his career prospects. He said that capital spending in Mid Essex was £12 million in 1997 and £7.3 million in the current year. To me, that is a £4.7 million cut; but the Prime Minister considers it an increase. I look forward to his explanation when he replies to the letter that I have sent him.

More perplexing was the question about more doctors and nurses. The Minister gave me a figure for 1997, but he told me that the data for following years were not available because they had not been published and that data for 1999 had not yet even been collected. Again, I am puzzled about how the Prime Minister could tell me that there were more doctors and nurses; again, I look forward to his reply.

Part of the problem—I do not blame the Government—is the way in which Mid Essex and North Essex were funded under the old resource allocation working party system, with a disproportionate amount going to the east end of London at the expense of mid-Essex. That was unravelled in the early 1990s when my right hon. Friend the Member for South-West Surrey (Mrs. Bottomley) changed the funding system, and both the previous Government and the current Government in their first year recognised the problem by giving North Essex and, in particular, Mid Essex larger increases in funding.

The trouble is that the area never caught up with what it would have received if we had never had RAWP. Unfortunately, the previous Minister of State fine-tuned the funding formula for this and the previous financial year in a way that cost Mid Essex money. I know that the Minister wants to alleviate my constituents' problems. North Essex and Mid Essex urgently need more money to deal with what is clearly a problem of significant proportions that is causing undue suffering and distorting the service. I urge her to reconsider the changes in the funding formula and find ways of providing extra resources to an area that has historically had problems with financing because of its proximity to London.

Those problems are bad enough, but, just over a week ago, it emerged that the health trust is £2.4 million, and the authority just over £10 million, in deficit. One way in which they are trying to overcome that problem is by closing three wards at Broomfield hospital, saving £1.75 million; the rest is to be saved by improving management and bureaucracy. They are seeking to make those savings partly by removing about 80 bed blockers from Broomfield hospital. I fully endorse such action, as it is ludicrous for people to remain in hospital when there is no clinical or medical reason for them to do so. Not only is keeping people in hospital expensive but their quality of life deteriorates.

I had assumed, however, that those people would either be going home, with a care package, or into residential care. I was therefore surprised to hear that those options have not been chosen, but that most of those people will be going to St. Peter's hospital and to St. Michael's hospital—thereby incurring costs to the health authority and the health trust, so that the savings may not be as great as anticipated. Moreover, as social services do not have enough money to deal with the problem, I fear that closing the wards will prove to be a one-off and short-term solution, and that, perhaps in 12 months' time, we shall be confronted with another problem of bed blocking, when we shall not again have the option of closing wards to overcome a short-term financial deficit.

Similarly, when there are so many problems with people waiting for treatment, it is crazy that three wards—84 beds—should be taken out of the hospital system and left empty and redundant so that they cannot be used to help overcome the problems facing my constituents and those of other hon. Members in the area.

I therefore urge the Minister—who is a perfectly reasonable person—to recognise that there is a specific problem in mid-Essex. I ask her to recognise, too, that my constituents do not deserve the delays, heartache and problems that they are suffering as a result of having to wait ever longer for hospital and out-patient treatment, or the misery and shock of operations cancelled at the last minute—sometimes after they have already gone to hospital psychologically prepared for their operation.

I urge the Minister yet again to persuade the NHS executive to re-examine the problem in mid-Essex; to seek to direct more money into North Essex and Mid Essex to bring down waiting lists; and to ask the hospital to justify fully why it is closing the wards, whether there is a better alternative for achieving the same aim, and what will happen to staff working in those wards, who must be extremely concerned and worried about the consequences of the actions on their role in the health service.

1.42 pm

Mr. John Whittingdale (Maldon and East Chelmsford): I thank my hon. Friend the Member for West Chelmsford (Mr. Burns) for allowing me to contribute very briefly to the debate. My constituency of Maldon and East Chelmsford is covered by the Mid Essex Hospital Services NHS trust, and, therefore, my constituents are experiencing the same problems and difficulties as those suffered by my hon. Friend's constituents.

I also congratulate my hon. Friend on securing this debate, and pay tribute to him for the assiduous way in which he has pursued the matter in recent months. He and I both know, from our postbags and surgeries, the distress being caused to an increasing number of our constituents because of the lengthening time they have to wait for operations. His efforts, however, have forced the Government and the hospital trust to publish the real figures, showing the huge increase in the number of people in mid-Essex who have to wait for an operation.

As my hon. Friend said, to be fair, there has long been a problem of underfunding and long waiting times in the North Essex health authority area. Nevertheless,

the problem was being dealt with by the previous Government, who, in successive years, awarded North Essex an above average real-terms increase. Consequently, waiting lists fell to historically low levels. However, the progress has been reversed, and the figures quoted by my hon. Friend graphically demonstrated the huge deterioration in the situation in the past two years.

Both my hon. Friend and I have many cases of individual constituents who had been given operation dates, which were months in the future, but who—at the last minute, when the date had finally arrived, and sometimes after they had gone to the hospital—discovered that the operation had been cancelled. Subsequently, they were told that they would have to wait still more months before the operation could be rescheduled.

The Government were elected on a pledge that waiting lists would fall, but the fact is that, in mid-Essex, they have got steadily worse.

In December 1998, one of my constituents, who lives in Great Baddow, wrote to me, saying that her husband was house-bound and facing a 12-month wait for a quadruple bypass operation. She wrote:

"I know we don't count for much in the system of things but we are as important to our families as you are to yours . . . Please keep the promises that are made. I don't want my husband to die waiting."

For that one constituent, I could name another 100 who have written to me to describe similar cases.

Our constituents in the mid-Essex area deserve more from the Government. I ask the Minister now to spell out exactly what action the Government are planning to take to ensure that the situation is not allowed to continue.

1.45 pm

The Minister for Public Health (Ms Tessa Jowell): I congratulate the hon. Member for West Chelmsford (Mr. Burns) on securing this debate, on a matter in which he has taken an active interest. I am sure that his constituents appreciate his concern.

I should begin with the figures, as they were one of the issues central to the hon. Gentleman's concern. At the time of the general election, a total of 8,391 people were waiting for in-patient treatment at the Mid Essex Hospital Services NHS trust. Mid Essex was not immune from what my right hon. Friend the Secretary of State for Health has referred to as the supertanker effect, and, in the following year, the number rose to 8,360. Since then, the number has dropped, and, at the latest count, stood at 9,961.

Mr. Burns: I think that the Minister has given the wrong figure. When the previous Government left office, the figure was 8,381; in the following 18 months, it rose to just over 11,500, but then dropped to 9,967.

Ms Jowell: I apologise to the hon. Gentleman; I misread the figure. To be absolutely clear, at the previous general election, the figure was 8,391. Subsequently, it rose to 11,360. At the last count, it had fallen to 9,961.

As the hon. Member for West Chelmsford will be aware, waiting lists have shrunk across the country. However, the situation in Mid Essex differs from the picture nationally in that it has more people waiting than it did when the Government took office—which is a matter for concern. The case cited by the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale) provided a clear illustration of why reducing both waiting lists and the suffering that they cause is our No. 1 priority.

Neither the trust's local management nor the NHS executive are willing to tolerate the situation. However, as the hon. Member for West Chelmsford made it clear, the trust has financial problems. At the end of the previous financial year, its deficit was £1.8 million. The trust has now identified savings of £1.7 million, and, this year, is planning for a deficit of £1.6 million. The trust has robust plans for next year, including further savings of £700,000 in management costs, and it expects to achieve financial balance.

The eastern region of the NHS executive has been deep in discussion with the trust about implementation of its recovery plan. Today, the regional office, the health authority and the local trust are meeting to agree the plans. There is a total commitment to achieving those plans without adversely affecting services to future patients. To that end, a group—comprising local primary care groups and social services, as well as the health authority and trust—has been formed to contribute to the plans.

That brings us to the question of ward closures. As the hon. Member for West Chelmsford knows, part of the savings central to the trust's plans arise from its proposed switch of services from St. John's hospital to Broomfield hospital and the accompanying closure of three wards at the Broomfield site. We recognise that waiting lists, budgets and ward closures are obviously interdependent.

The trust's proposals entail a complete relocation of services from St John's to Broomfield by 2002, and the sale of the St John's site. The trust believes that providing all its acute services from a single site will deliver better and safer care to all its patients, and achieve significant savings.

Mr. Burns: Is the Minister aware that one of the wards being closed was refurbished last year so that it could accommodate some of the services transferred from St. John's?

Ms Jowell: Clearly, the trust is making these proposals because it judges that they constitute the best use of available resources, and that they will protect standards of patient care. I expect that the trust took the hon. Gentleman's point into consideration when it made the proposals.

The first stage is the transfer of 86 patients from Broomfield to settings that are deemed to be more appropriate to their needs. Some patients will go home and will be cared for in the community: others, as the hon. Member for West Chelmsford said, will go into alternative community hospital care. That will allow three wards to be closed, saving £900,000 this year and twice that amount in a full year, thereby freeing up resources for investment in other, locally based services.

Perhaps naturally, the hon. Member for West Chelmsford jumps to the conclusion that fewer wards and beds will mean longer waiting lists. That is not what the trust expects. It believes that, because the beds are blocked now, their removal will not have an impact on the number of people that the hospital can treat. However, the onus is on the trust to make that case in the consultation that will follow as the strategic plan develops.

[Ms Jowell]

No redundancies are planned as a consequence of the closure, although the trust should be able to cut back its use of agency staff, so nurses on those wards could instead treat patients who need to be in hospital. The trust also expects to move its cardiac services to better facilities, to expand renal services so that fewer patients have to travel to London for treatment, and to increase its capacity to treat patients on a day-care basis. The trust treats fewer patients on that basis than other comparable trusts, and we hope that the number so treated will be increased.

The trust believes that, even after the proposed reduction, it will be better placed to meet the needs of the local population and it intends to refurbish the wards as part of its longer-term strategy.

I believe that I have given an accurate summary of the trust's plans, which I understand have the support of Essex social services, the health authority, other local trusts and primary care groups. As the hon. Member for West Chelmsford may know, the community health council is reserving its judgment on the immediate ward closures until it is convinced that the plans are achievable. In the interim, it has agreed with the health authority to hold a public meeting in Chelmsford on 21 July, when all the agencies will explain their plans to the public. In addition, the health authority is planning a full public consultation on the whole strategy later this year.

With that in mind, I hope that the hon. Member will understand if I do not give the plan the ministerial seal of approval—or disapproval—here and now. What I can promise him and his constituents is that, if called on to arbitrate, my right hon. Friend the Secretary of State will be guided by the one principle that always guides him in these matters—the best interests of the patients, and their care.

I mentioned the financial problems facing the trust. It might be relevant for me to say something briefly about the financial support that this Government have made available to the North Essex health authority, which largely funds the trust.

Two years ago, North Essex health authority was 3.7 per cent., or £13.8 million, below its capitation target. Today it is only 0.7 per cent, or £3.4 million, below target. This year alone, it received a cash increase of £31 million, and a real-terms increase of £18.7 million. The Mid Essex trust has also benefited directly from an £845,000 share of the accident and emergency modernisation fund. I assume that the hon. Member for West Chelmsford will welcome all that. That funding and the trust's own recovery plans are freeing resources for practical action to help patients and drive down waiting lists.

The trust is now putting together a scheme for the new day-care centre to which I have referred. It expects the centre to make a real contribution to reducing the number of people waiting for elective surgery without the need for additional beds. I wish to make it clear that neither I nor any of my colleagues underestimate for a moment the sheer misery caused by cancelled operations.

Meanwhile, the local primary care groups have been studying the patterns of referral by general practitioners. They have produced guidance for GPs that is being piloted by the local primary care group and acute hospitals to help improve the consistency and appropriateness of referrals.

The regional office of the NHS executive will continue to monitor the trust's waiting list performance, and it has been helping to identify where bottlenecks may cause delays in getting patients treated. The local waiting list task force has also been actively working with the trust.

This debate is about one NHS trust, but my response would not be complete without some reference to the national picture and what the Government are doing to cut waiting lists in the Mid Essex trust area and the rest of the country. I do not want the hon. Member for West Chelmsford or anyone else to be in any doubt about the priority that the Government and the NHS give to beating waiting lists.

Through a stupendous effort, the NHS, supported every inch of the way by the Government, has delivered a record reduction in waiting lists to below the level inherited from the previous Government. That is the action that has been taken to deliver our pledge to bring lists down by 100,000 from the level that we inherited. We have made it clear that no patient should have to wait more than 18 months for hospital treatment once on a waiting list, and I am glad to say that the Mid Essex trust has consistently delivered on that.

We have often been told that it was wrong to concentrate on the length of lists, and that we should care only about waiting times. We always believed that both could be shortened: now, average waiting times are down to below three months and are below the average that we inherited. The hon. Member for West Chelmsford must accept that, nationally, waiting times for patients waiting 12 months or more are down by one third.

I mentioned that one of the fundamental problems facing the Mid Essex trust is the number of patients ready to be discharged but waiting to be given social services support. We are taking big steps in improving joint working between health and social services, and taking action to get rid of the constraints in the existing system to providing the right services in the community.

Finally, I repeat my earlier assurances to the hon. Member for West Chelmsford and to the people in the Mid Essex trust area. The trust is expected to bring waiting lists down further, and will get the advice and support that it needs. We are determined that the hon. Gentleman's constituents and people throughout the country will enjoy the benefits of a new, modern and dependable NHS.

It being Two o'clock, the motion for the Adjournment lapsed, without Question put.

Sitting suspended, pursuant to Standing Order No. 10 (Wednesday sittings), till half-past Two o'clock.

NEW WRIT

For the county constituency of Eddisbury, in the room of the right hon. Sir Alastair Robertson Goodlad (Chiltern Hundreds).—*[Mr. Arbuthnot.]*

PRIVATE BUSINESS

CITY OF LONDON (WARD ELECTIONS) BILL. (*By Order*).

Order for consideration, as amended, read.

To be considered Tuesday 6 July.

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Anti-drugs Strategy

1. **Mr. Brian Jenkins** (Tamworth): What progress has been made in the implementation of the Government's anti–drugs strategy. [87715]

The Minister of State, Northern Ireland Office (Mr. Adam Ingram): For the past 12 months, a review team has been examining the current policy statement on drugs and has now devised, and recently agreed, a new drugs misuse strategy for Northern Ireland. This is ready to be published, but the timing of publication is dependent on progress towards devolution in Northern Ireland, as the new Assembly will have responsibility for this matter.

Mr. Jenkins: I thank my right hon. Friend for that answer, but what measures have he and the Government taken to involve various sections of the community, in particular the business section, in that strategy programme?

Mr. Ingram: I thank my hon. Friend for that question because the various sectors of the community are vital to producing any coherent and constructive policy to deal with the problem. I recently launched an initiative with the business community, which was well attended—there were more than 80 participants and there was a significant up-take from the business community in moving forward and dealing with that problem as it affects the workplace.

Rev. Martin Smyth (Belfast, South): The right hon. Gentleman will remember his answer on that very subject at the previous Northern Ireland questions. After further reflection, and with his understanding of the drugs strategy that he is putting in place, does he think that, given the growing use of heroin in Northern Ireland, it is time for a change of tactics to deal with the problem? Will he welcome the recent move by the Royal Ulster Constabulary to put a mobile support unit in Ballymena to deal with it?

Mr. Ingram: We all recognise that there is a growing problem of heroin and hard drug misuse in Northern Ireland. A strategy has to deal with the reality that exists and with the possibility of that menace growing in the period ahead. The RUC is active in dealing with the problem. Of course it will constantly review how it tackles the problem, should it begin to manifest itself—hopefully, it will not—in the various communities in Northern Ireland. We are alert to that very real probability but we hope that we can tackle it in the way that we are setting forth in the strategy.

Decommissioning

2. **Mr. Andrew Robathan** (Blaby): If she will make a statement on progress towards decommissioning illegal weapons under the Good Friday agreement. [87716]

The Minister of State, Northern Ireland Office (Mr. Adam Ingram): The British and Irish Governments are clear that decommissioning is an important and fundamental element of the Good Friday agreement. The current talks in Belfast are designed to implement the agreement in all its aspects. Decommissioning is not a precondition but an obligation under the agreement. The two Governments are due to consider a report from the Independent Commission on Decommissioning. We are optimistic that progress can be made if all parties are prepared to move together.

Mr. Robathan: The IRA has stated publicly several times that it is not prepared to give up its weapons, yet the Minister and the Secretary of State continue to press for the inclusion of Sinn Fein in the Northern Ireland Executive. Sinn Fein is inextricably linked to the IRA—it is one and the same as the IRA. Does the Minister genuinely believe that the IRA is operating a ceasefire? If so, who does he think murdered Paul Downey in Newry earlier this month, Eamon Collins or Brendan Fegan, or attempted to murder Martin McGartland? I trust that the Minister will not give the House some wittering, weasel words about evidence. Has the Chief Constable advised the Government that those murders were carried out by the IRA? Has he advised the Government that the IRA continues with its terrorist activities?

Mr. Ingram: The original question was about the decommissioning of illegal weapons and, of course, such weapons are held by more than one terrorist or paramilitary group. In relation to the hon. Gentleman's specific points, my right hon. Friend the Secretary of State and I receive security briefings; indeed, yesterday, we received a long briefing from the Chief Constable. The best suggestion that I can offer to the hon. Gentleman is that he read the transcript of the Chief Constable's comments when he launched his annual report today. The Chief Constable gives advice and we assess the information given to us by him and by other security sources. As far as we are concerned, the ceasefires remain intact. That is why the talks are going on at present. If the hon. Gentleman argues, on behalf of his party, that talks should cease, let him say that.

Dr. Norman A. Godman (Greenock and Inverclyde): Every sane person in Northern Ireland wants decommissioning to take place so that the Executive and the Assembly can get down to work. I need hardly remind my right hon. Friend that we are within 24 hours of the formal opening of the Scottish Parliament and of the Welsh Assembly. The people of Northern Ireland want the same for their Assembly. When is General John de Chastelain due to make his report? Is it not true that the obligation on decommissioning has to be met by May next year?

Mr. Ingram: The report of the independent commission is a matter for the members of the commission. We understand that they have compiled an assessment of the various responses, and that the report is due to be given to the two Governments today; I cannot give my hon. Friend a precise time. The document will be important; it will be the best assessment from an independent body that was set up to deal specifically with that issue.

Mr. William Ross (East Londonderry): If the Government really believe that keeping Sinn Fein out of

the Executive now would cause violence because it has not given up its weapons, how on earth is violence to be avoided when Sinn Fein is thrown out next May because it has given up no weapons in the interval?

Mr. Ingram: The hon. Gentleman has not been a supporter of the Good Friday agreement; he is now predicting the failure of the peace discussions—I hope that he is not wishing for that. As I have said to Opposition Members in the House, in Committee and elsewhere, they would do well to listen to what the majority of people of Northern Ireland want, and, hopefully, to reflect on that. They could then use all their efforts to bring about a peaceful resolution to the past 30 years of trouble and strife, imposed on Northern Ireland from too many quarters; that should become a thing of the past.

Ms Margaret Moran (Luton, South): Will my right hon. Friend pass the thanks of the majority of Members of the House to General John de Chastelain and his independent commission for the long and difficult work that they are doing in tackling the real issues of decommissioning? Will he please try to elicit exactly what the Opposition propose on decommissioning? How do they expect decommissioning to occur without the implementation of all parts of the Northern Ireland agreement in tandem?

Mr. Ingram: With regard to the second part of my hon. Friend's question, we have enough on our plate without trying to elicit what is in the mind of the Opposition on that matter, or trying to read how it has been tackled over recent months. The process is difficult enough without that. As for the first part of my hon. Friend's question, I am only too happy to report those strong messages of support for the good work already carried out by General John de Chastelain and the other two commissioners, and for the work on which they are currently engaged.

Mr. Lembit Öpik (Montgomeryshire): As anyone who follows these matters knows, decommissioning is not a precondition of where we stand today, although obviously it must be a commitment. Therefore, aside from the fancy rhetoric, will the Minister answer as honestly and candidly as he can? How likely is it that we can make progress today in the important talks taking place in Northern Ireland on the crucial question of decommissioning in its symbolic context, as well as on the other sticking points? Can he really hope for the Northern Ireland Assembly to take up its full responsibilities, together with the Scottish Parliament and the Welsh Assembly?

Mr. Ingram: The one thing that we can say with certainty is that all parties to the current round of talks want to see that Assembly up and running. They know that the two fundamentals that will take that forward—decommissioning and the establishment of the Executive—are critical to that. Those talks are taking place as I answer the hon. Gentleman's question at the Dispatch Box. We hope that good progress is being made and that every effort will be made by the two Prime Ministers and by those who are participating in the talks to resolve the issue and the other fundamentals, which will allow the Parliament to be up and running and to go forward from there.

Dr. Desmond Turner (Brighton, Kemptown): I am sure that my right hon. and hon. Friends are well aware of the tremendous support on the Government Benches for the full implementation of the Good Friday agreement. Will they take a relatively simple message to both sides? The first is that the agreement cannot be rewritten, but, at the same time, it does need to be said to those who have contact with those holding illegal arms that it is difficult to take democratic decisions when behind them is the threat of the use of those illegal arms. If both sides could move, I am sure that almost all Labour Members certainly would want to see the agreement implemented in full.

Mr. Ingram: Those are the very sentiments that are at work within those around the negotiating tables in Northern Ireland, but, more so, they reflect the overwhelming wish of the people of Northern Ireland. I shall take those points back to those engaged in the process.

Mr. Andrew MacKay (Bracknell): We very much hope that a lasting agreement will be reached today, not least because of the innocent, law-abiding majority of people in Northern Ireland from both communities who have suffered too much in the past 30 years of troubles. Will the Minister confirm that there is only one real stumbling block, and that is the non-decommissioning of illegally held arms and explosives by the paramilitaries, both loyalist and republican? The two Governments have fulfilled all their obligations under the agreement, the constitutional parties, Unionists and nationalists, have done the same, but the paramilitaries have been all take and no give.

Mr. Ingram: I am grateful to the right hon. Gentleman for his good wishes to those involved in the negotiations. Clearly, the Good Friday agreement must be implemented in full in all its parts. That includes decommissioning. We have made that clear from the Dispatch Box time and time again. It also includes the establishment of the Executive and the implementation of all the other obligations that are placed upon the two Governments. When agreement can be obtained, we will have dealt with the two fundamental issues of the establishment of the Executive and the decommissioning of weapons.

Mr. MacKay: Will the Minister accept that we cannot be confident that the IRA will decommission its illegally held arms and explosives when, only last week, the Irish police arrested two terrorists in Donegal who were carrying explosives for bombing in Northern Ireland, who both wore Sinn Fein green ribbons when they appeared in court and who have both been admitted into the Provisional IRA wing of Portlaoise prison?

Mr. Ingram: I thought that the right hon. Gentleman wanted us to proceed with the Good Friday agreement. Two people have been arrested in the Republic of Ireland for crimes within that jurisdiction. That will be a matter for its courts. We have information on the background to that as it may have applied within Northern Ireland. As I have said before, we do not share intelligence over the

Dispatch Box. I wish that the right hon. Gentleman had listened to the reply that I gave to the hon. Member for Blaby (Mr. Robathan) about the way in which the judgment has been made and what the Chief Constable says about the current state of the ceasefire. He and the Secretary of State are both agreed on the stability of that ceasefire at the present time.

Equality Commission

3. **Mr. Jonathan Shaw** (Chatham and Aylesford): What progress is being made on the establishment of an Equality Commission in Northern Ireland. [87717]

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. John McFall): The process of appointing people is under way and it should be completed by the end of July. All efforts are being made to ensure that the commission will be broadly representative of the community, as the Good Friday agreement requires.

Mr. Shaw: I welcome the progress made so far and the hard work that everyone has put in to ensure that, since the agreement, there has been progress on establishing institutions that all the people of Northern Ireland can be absolutely guaranteed will ensure equality and fairness throughout the Province. Will my hon. Friend give an assurance that the people who are appointed to the commission will broadly reflect the communities, very much in the spirit of the Good Friday agreement?

Mr. McFall: As my hon. Friend knows, it was a difficult process to bring four bodies into one. I have to congratulate the voluntary and community groups that were involved in that. I can give him a concrete assurance that appointments will be made to the Equality Commission on merit. The posts were advertised widely in major newspapers and on the internet and were made available in several languages. At the core is the need for broad community representation. I hope that, with those assurances, my hon. Friend will welcome the new body.

Mr. Clifford Forsythe (South Antrim): The Minister will be aware that there are a number of commissions in Northern Ireland. If there is no agreement on decommissioning and the Assembly is suspended, will all aspects of the agreement be suspended, including the Equality Commission and the early release of prisoners?

Mr. McFall: The hon. Gentleman is looking ahead. That decision will be taken after 30 June. I do not need to remind him or other hon. Members here that the most strenuous and genuine efforts are being made today to secure that agreement. The spirit of those talks was matched by the spirit of the community groups who came together to form the Equality Commission.

Judy Mallaber (Amber Valley): Is the Minister satisfied that the Equality Commission will properly represent the interests of women and bring into the political process those women who have been so essential and strong in the political process? Does he agree that the Equality Commission is one of the essential building blocks of the Good Friday agreement and that it will bring benefits to people who are disadvantaged in all sections of the community?

Mr. McFall: The issue of women is one of the key tests of the Equality Commission. As my hon. Friend knows, we are now establishing one of the most advanced frameworks for equality and rights in Europe. The experiences of women have been taken into account. Over the period of the troubles, it is women who have largely kept communities together. We are thankful for that, and we welcome their inclusion in the Equality Commission.

Drumcree Parade

4. **Shona McIsaac** (Cleethorpes): What measures she is taking to avoid disturbances in connection with the parade at Drumcree. [87718]

The Minister of State, Northern Ireland Office (Mr. Adam Ingram): The Government regret the necessity for the recent Parades Commission ruling. Considerable efforts were made, and continue to be made, to reach a satisfactory accommodation. The Parades Commission ruling has legal force and all law-abiding people should respect it, however much they dislike it. Meanwhile, I am confident that the RUC and the Army will be able to cope with any threatened disorder in the days ahead.

Shona McIsaac: I thank my hon. Friend for that answer. I am sure that the whole House agrees that, in recent years, there has been far too much violence and disturbance associated with the march at Drumcree. Has he emphasised to all those involved that the key to resolving this issue is parity of esteem, that both traditions have to recognise that the other tradition exists and that, in order to give peace a chance, people must learn to make friends with their enemies? To that end, will he convey the message to Northern Ireland that people ought to try to have a peaceful weekend this weekend and all future weekends?

Mr. Ingram: I agree entirely with those sentiments. In recent years, the human cost of Drumcree has been dramatic. One RUC officer has lost his life and many others have been injured, and tens of RUC families have been forced to move home. Families who live in the Garvaghy road are being forced to live in the most intolerable circumstances. The only way forward is for both sides to reach an accommodation. The Prime Minister has expended a lot of energy over recent days trying to get an agreement such as my hon. Friend described.

Mr. John Wilkinson (Ruislip-Northwood): Has not the timing of the Parades Commission's banning of the proposed march at Drumcree shown that these decisions are supremely political in their nature? They should be made by Her Majesty's Ministers, taking into account all the circumstances that obtain at the time, and should not be shuffled off to a Parades Commission, whatever its ancestry. Will the Minister always bear in mind the fact that there is no equivalence between the exercise of the

citizen's rightful entitlement to walk on the Queen's highway and the violent efforts of those who wish to frustrate that democratic right?

Mr. Ingram: I should have hoped that the hon. Gentleman understood that the Parades Commission has legal force behind it. This decision is a legal determination by that body. I should have thought that all law-abiding citizens would be only too willing to rise in this Chamber and say that they support that legal ruling. It is not a political decision: it is a matter for that body, which Parliament established.

Mr. Steve McCabe (Birmingham, Hall Green): Does my right hon. Friend agree that the Orange Order and those who purport to speak for it will be judged by the world on the way that they behave this weekend in response to the ban?

Mr. Ingram: The Orange Order has shown great willingness to engage in this process over recent days in its talks with the Prime Minister. Continued efforts will be made to bring about a reconciliation and a different accommodation in that area. If its members behave with dignity in that march on Sunday—most of them want to do so—they will have the support and respect of the House and the majority of people in Northern Ireland. They have it in their own hands to ensure that this Sunday passes off peacefully.

Mr. William Thompson (West Tyrone): Does the Minister agree that the Orange Order is doing everything in its power to ensure that the legitimate protests are peaceful, and has asked anyone who wants to cause trouble to stay away? The Prime Minister acknowledged that in his recent contacts with members of the Order. Will the Minister acknowledge that? As the Human Rights Act 1998 will come into operation next year, will the Minister review the Public Processions (Northern Ireland) Act 1998 to ensure that all its provisions accord with the convention on human rights?

Mr. Ingram: All Government legislation must conform to the Human Rights Act 1998, and that examination takes place at all times. The matter would be considered in the courts if anyone challenged us. If we were found to be wrong, we would have to amend the legislation.

The Orange Order has been engaged in discussions with the Prime Minister in recent days, and that is encouraging. There is movement towards a different realisation from that which has applied in recent years. That will hopefully help to bring about a different approach for this Sunday and for the years ahead.

Devolution

5. **Mr. Tony McNulty** (Harrow, East): If she will make a statement on progress towards devolution in Northern Ireland. [87719]

6. **Sir Teddy Taylor** (Rochford and Southend, East): What progress has been made in discussions on the future constitutional arrangements in Northern Ireland. [87720]

10. **Mr. David Winnick** (Walsall, North): If she will make a statement on the latest position on the peace process. [87724]

The Secretary of State for Northern Ireland (Marjorie Mowlam): A great deal of progress has been made towards achieving devolution. My right hon. Friend the Prime Minister and the Irish Prime Minister are currently engaged in intensive discussions with the parties to try to reach agreement on the outstanding issues and enable devolution to take place. I am sure that the whole House joins me in wishing them well in making progress in the hours ahead.

Mr. McNulty: I thank my right hon. Friend for that response. She will be aware that confusing signals are emanating from the Belfast talks. Will she ignore the witless, partisan and frankly irresponsible comments of some on the Opposition Benches and give us her real assessment of how far we are from the real prize of devolution and lasting peace in Northern Ireland?

Marjorie Mowlam: I have difficulty answering my hon. Friend's question. It is difficult to provide facts in the middle of a negotiation, as he and others who have engaged in negotiations will know. We were feeling positive at lunch time, but by the time that I left to come to this place an hour later, people were getting worried again. The situation goes up and down: it is a case of three steps forward and two steps back. It is difficult to give a fair judgment to the House now. I apologise to hon. Members for that, but it is the nature of negotiations. My colleagues in the Northern Ireland team have done their best to answer questions today, but I assure my hon. Friend and other hon. Members that, when the talks have finished, there will be a statement on the details, by me or by the Prime Minister, as soon as is feasible.

Sir Teddy Taylor: I wish the right hon. Lady every possible success and blessing in her complex and difficult task. Will she make it abundantly clear that, should the talks sadly fail, all those who have been released very early from custody—some of whom were convicted for the most appalling crimes—will be returned immediately to prison in the interests of the security of people on both sides of the community?

Marjorie Mowlam: The details of the Northern Ireland (Sentences) Act 1998 do not facilitate the course of action that the hon. Gentleman has outlined. However, I make it clear that, as my right hon. Friend the Minister of State said a minute ago, it is difficult to say exactly what will happen after the 30th. If I were to do so now, the folk in Northern Ireland would discuss not how to deal with the issues of the Executive, decommissioning and how it will be determined in line with the Independent Commission on Decommissioning but my answer to the hon. Gentleman. That is why I am afraid that the hon. Gentleman will have to wait a wee while. However, I guarantee that there will be an answer when the outcome of today's talks is known.

Mr. Winnick: Does my right hon. Friend agree that, if the negotiations do not succeed, it will be a moment of real joy for those responsible for last year's Omagh atrocity, for instance, as well as for the loyalist murder gangs who would seize any opportunity to start a murderous pogrom against the minority community? Should not that be borne in mind by those on the Opposition Benches, some of whom give the impression that they do not want the negotiations to succeed?

Marjorie Mowlam: It is difficult with the parties that are not supporting the agreement and it is very difficult with those who are bent on destroying it by violent means. However, many of those who are anti-agreement—particularly the hon. Member for North Antrim (Rev. Ian Paisley) and the Ulster Democratic Unionist party—were in the talks building yesterday. The Prime Minister and I have had meetings with them in the past three or four days. It is their democratic right to oppose the agreement, but they remain very interested in what progress is being made. That is where the Minister of State, Northern Ireland Office, my right hon. Friend the Member for Torfaen (Mr. Murphy), is now and he sends his apologies to the House.

Mr. Malcolm Moss (North-East Cambridgeshire): While the Opposition hope fervently for a settlement later today on the implementation of the Belfast agreement in full, does the Secretary of State agree that talking about falling into an abyss if no such agreement is reached may be counterproductive? After all, life in the Province must go on and we cannot afford to have a political vacuum. Will the Secretary of State confirm that the Government intend to continue talking in order to press for a settlement and that, if Sinn Fein-IRA do not fulfil the requirement under the Belfast agreement to decommission by next May, they will proceed with devolution with the consenting parties, excluding Sinn Fein?

Marjorie Mowlam: I am sorry, but I have tried to explain in my responses to three questions today why I will not answer that specific point. The hon. Gentleman is asking me to negotiate across the Dispatch Box what the parties in Northern Ireland are now discussing. It is for the parties in Northern Ireland to reach conclusions. I hope that we in this House and those in the Dail in the Irish Republic will do everything possible.

The best indication to the hon. Gentleman of the situation in Northern Ireland and the negotiations is the number of people who come to the doors of the building in which the talks are taking place. Just as I was leaving that building, a group from the Northern Ireland Youth Forum arrived with a letter for every member of the talks. Those talks are taking place for them. In their letter, the young people said:

> "We do not want a return to the violent sectarian cauldron of the past. Nor do we want to live . . . in a state of suspended animation where growth is impossible."

The parties in Northern Ireland are doing their best to make progress.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [87745] **Mr. John Randall** (Uxbridge): If he will list his official engagements for Wednesday 30 June.

The Deputy Prime Minister (Mr. John Prescott) *rose—*

Hon. Members: Hear, hear!

The Deputy Prime Minister: I thank Opposition Members for that warm response. I have been asked to reply.

As the House knows, the Prime Minister has decided to remain in Northern Ireland today to make every effort to secure agreement between the parties in Northern Ireland. I am sure that the whole House would wish him, the Irish Prime Minister and all the parties well in their endeavours to bring lasting peace to Northern Ireland.

Mr. Randall: Why are the Government fast-tracking the commercialisation of GM seeds?

The Deputy Prime Minister: They are not.

Q2. [87746] **Mr. Andy King** (Rugby and Kenilworth): The hopes and prayers of the House and the whole country are with our Prime Minister and Secretary of State as they continue to work tirelessly for a peaceful resolution in Northern Ireland. Does my right hon. Friend agree that without the implementation of the peace process, the men of violence will surely return, with their reign of terror? Does he agree that it is the responsibility of all those involved in the talks to choose a path of peace and to concentrate on the future, not the past; and that the children of Northern Ireland deserve a better future?

The Deputy Prime Minister: I am sure that my hon. Friend's remarks will be echoed on all sides of the House. As we speak, the Prime Minister, his Irish counterpart and other parties are discussing proposals for a way to meet today's deadline.

Throughout this process, our position has been clear—we want every aspect of the Good Friday agreement to be implemented in full. What has been written into the agreement about decommissioning still stands, and it is not a precondition but an obligation. The House will be aware that a great deal has been achieved, but the parties must take that final step; otherwise, as the Prime Minister said in the House last week, we risk a return to violence. His remark reflects the wishes of the overwhelming majority of the decent people of Northern Ireland, who simply want a peaceful and stable future for themselves and their children.

Sir George Young (North-West Hampshire): Of course we understand why the Prime Minister is in Northern Ireland. The whole House hopes that the discussions that are under way can be brought to a successful conclusion and that a devolved Assembly can be established for

Northern Ireland. Does the right hon. Gentleman accept that the sole remaining block to progress has been and still is the failure of the terrorist organisations to give up their illegally owned weapons?

The Deputy Prime Minister: I welcome the right hon. Gentleman to his role of deputising for the Leader of the Opposition, and I wish him well. He raises an important issue, which is at the heart of the present discussions. Clearly, agreement will have to be reached on that matter. All parties are addressing themselves to that, and the House will wish them well in achieving a successful agreement.

Sir George Young: The House will welcome that response, but is it not the case that, for the terrorists on both sides and their political allies, it has been all take and no give? Have not the British Government, the Irish Government and the constitutional parties all honoured their side of the agreement? So does the right hon. Gentleman agree that the way the other parties can demonstrate their commitment to peace and democracy is to hand over the guns and the bombs?

The Deputy Prime Minister: The Prime Minister has made clear exactly how he feels on these matters, and he is in the middle of the negotiations, with the Irish Prime Minister. It would be far better for peace in the north of Ireland if the negotiations took place over there, and were not made more difficult by people in this place making remarks of the type that the right hon. Gentleman is making.

Ms Joan Ryan (Enfield, North): May I tell my right hon. Friend the Deputy Prime Minister how very, very welcome is the Government's initiative, launched today, called "Living without fear"? I welcome the Government's courage and their commitment to tackling violence against women. Two women every week lose their life to a partner or an ex-partner. That is a criminal activity.

I also welcome the initiative because it recognises the importance of local projects. Will the Deputy Prime Minister confirm that the Government will continue to recognise the need for such local funding? I welcome the £6 million made available for local projects, and the extra £6.3 million for Victim Support. Does he agree that it is very important that all Government Departments continue to work together effectively to tackle this problem, which we should not tolerate in our society today?

The Deputy Prime Minister: I very much agree with what my hon. Friend has said. Hon. Members on both sides of the House would condemn domestic violence. The Government are making it clear that we shall do everything that we possibly can to assist in preventing such domestic violence, providing compensation where we can, providing assistance where we can, and running a campaign to ensure that it is brought home to people that this crime is totally unacceptable and that we shall do all that we can to prevent it.

Mr. A. J. Beith (Berwick-upon-Tweed): The Deputy Prime Minister will be aware of our strong support for the efforts that the Prime Minister is making in negotiations today, and we agree with him that, while negotiations are going on over there, the less said here on that subject, the better.

In the week when the Scottish Parliament opens, though, is the Deputy Prime Minister aware of the strong feelings in some regions of England that it is time we had powerful democratic bodies to manage regional policy? Does he recall his manifesto commitment to introduce legislation for elected regional assemblies when there is clear public demand, shown in a referendum? Can he tell the House when he expects that to happen?

The Deputy Prime Minister: This is an opportunity to offer our congratulations to the Scottish Parliament and the Welsh Assembly, to which powers will be transferred tomorrow. It is another good example of the Government carrying out their manifesto promises; and as the right hon. Gentleman has pointed out, the Government's commitment to further decentralisation can be seen in the proposals for a London elected mayor and a new regional assembly for the London area.

I have always believed in the regional government dimension. Our manifesto said that we would consult the people and take a decision then as to whether we would institute a form of regional government. I firmly believe in it. I shall be advocating it and doing all that I can to see that it is brought in.

Mr. Beith: What are we to make of reports that the right hon. Gentleman is having to do battle with No. 10 Downing street to prevent the commitment from being watered down, and to stop it disappearing from Labour's next manifesto? Is he facing difficulties of the type that he has faced over bus lanes, bus fares, road tolls and various other things? The Deputy Prime Minister did say that we deputies should stick together, so just between ourselves, would he tell me—is it getting a bit frustrating at the moment?

The Deputy Prime Minister: The right hon. Gentleman should not believe everything that he reads in the press. How could anyone possibly think that I am likely to get into any disagreement with No. 10? I am a loyal deputy to the Prime Minister, and I am very proud to serve this Prime Minister, who in two years has brought about more fundamental change in this country, and brought more benefits to the people of this country, because we are carrying out our manifesto commitments.

So I say to the right hon. Gentleman that he should take no notice of press prattle and remind himself that my right hon. Friend the Prime Minister has made it clear that such reports are garbage. And I agree with him.

Kosovo

Q3. [87747] **Mr. Tam Dalyell** (Linlithgow): Who will be tasked with disarming the Kosovo Liberation Army?

The Deputy Prime Minister: I—*[Interruption.]* I always have problems with these closed questions.

As envisaged in United Nations Security Council resolution 1244, the commander of KFOR, General Sir Mike Jackson, is responsible for the demilitarisation of the KLA. As my right hon. Friend the Prime Minister told the House last week, the commander-in-chief of

the KLA signed an undertaking on 21 June to hand in its weapons. This will be completed in stages over 90 days. I can tell the House that the KLA is showing clear signs of complying with the undertaking. It is moving to the designated assembly areas, assisting with mine clearance and starting the weapons handover. KFOR is doing all that it can to ensure that the KLA continues to abide by its undertakings.

Mr. Dalyell: Do soldiers, however professional and well trained, make satisfactory police officers in the long term?

The Deputy Prime Minister: It is the understanding, with the United Nations, that a police force will be introduced to the area. We have already committed a number of police to that force. The more we see movement towards normal circumstances in Kosovo, the more that will be welcomed by those on both sides of the House. The objectives that we set for Kosovo were controversial and they have been carried out. In these circumstances, the introduction of a police force will be another important step to bring about normality.

Sir Geoffrey Johnson Smith (Wealden): What assessment has the Deputy Prime Minister made of the remarks yesterday by Vuk Draskovic and of the effect that they will have on the disarming of the KLA?

The Deputy Prime Minister: I do not think that they will have any effect upon that. We have entered into an undertaking and all the signs are that the KLA is carrying it out, as I have said. That should be welcomed by both sides of the House.

Engagements

Q4. [87749] **Mr. Piara S. Khabra** (Ealing, Southall): While I accept the need for checks and balances in the Freedom of Information Bill, what assurances can my right hon. Friend give that the legislation will open up public authorities in such a way that it will be able to succeed in its objective, and can thereby be recognised as one of the Government's major achievements?

The Deputy Prime Minister: The draft Freedom of Information Bill creates for the first time powerful new rights of access to information in the public sector, to which my hon. Friend has drawn attention. For the first time, people will have the right to find out how schools have made decisions on pupil admissions, how hospitals set priorities for different treatments, how the police have conducted their inquiries—a very important development—and how the Child Support Agency has made decisions about maintenance payments. I believe that this is a big step forward.

We are making sure that the public can have information about decisions that affect important areas of their everyday life. That contrasts rather vividly with the press story that we read today on freedom of information. Apparently Tories at central office—the ones that are to be sacked—are to sign a gagging clause to keep them quiet. I presume that that shows they will be on message until they die.

Sir Peter Emery (East Devon): Will the right hon. Gentleman turn his mind to the major crisis in the milk industry, which was brought about by the delay of the Secretary of State for Trade and Industry in publishing the report of the Monopolies and Mergers Commission on Milk Marque? The publication of the report is well over 10 weeks late, and it is of great importance that publication be effected. Many in the milk industry are hanging on by their fingernails—*[Interruption.]* The laughter from the Government Benches only goes to show how few Labour Members understand what the agriculture industry is about. People are hanging on by their fingernails and there is a demand that this report should be produced immediately. Will the right hon. Gentleman apply pressure to bring that about?

The Deputy Prime Minister: The right hon. Gentleman makes an important point and we recognise it to be such. It is being considered, and I shall pass on his advice to the Minister involved and see whether the report can be published as soon as possible. On his remarks on agriculture policy and Milk Marque, I am bound to say that the previous Government privatised the milk distribution industry and added to its difficulties.

Q5. [87750] **Gillian Merron** (Lincoln): Will my right hon. Friend join me in welcoming the double triumph of Lincoln's 300th new deal success, shop manager Nicola Robbins, whose milestone placement was made by Steve Green—himself a new deal employee? Amidst all the criticism of the new deal from Conservative Members, does he agree that we will not go too far wrong if we continue to focus on releasing the potential of young people such as Nicola and Steve?

The Deputy Prime Minister: My hon. Friend makes a powerful point and it should be—*[Interruption.]* The fact that more people have become employed under the new deal system should be welcomed by Members on both sides of the House. The Government have kept their commitments to getting people back to work and to making the provision of work, especially for young people, a priority.

My hon. Friend makes the point that Steve Green is a symbol of a change that is taking place in today's employment market. We offer him our congratulations and best wishes for the future. We should recognise that the number of young long-term unemployed, in her constituency in particular, has come down in two years by a massive 79 per cent. That is a considerable cut, however one measures it. Britain must never allow hundreds of thousands of young people to be put on the scrap-heap, which was another characteristic of 18 years of Tory government.

The Opposition have criticised a great deal, but the statistics speak for themselves: 100,000 young people were found jobs through the new deal and 85 per cent. were not subsidised in any way. Among young people, long-term unemployment has fallen by 60 per cent. since May 1997, so we have another record for a Labour Government—the lowest youth unemployment since 1975.

There is a very good contrast. After 18 years of Tory government—*[Interruption.]* You don't like it, but you're going to get it. The 18 years of Tory government

produced record unemployment of 3 million. After two years of this Government, a record number of people are in work. That is the difference.

Sir George Young: The right hon. Gentleman's colleague, the Under-Secretary of State for the Home Department, said last night of the passport crisis that the jobs of all Ministers—his, the Home Secretary's and those of every member of the Government—are on the line. Does he agree?

The Deputy Prime Minister: Nobody is on the line. Let us get the problem into proper context. More than 3 million passports have been issued this year and the Passport Agency is currently issuing 150,000 a week, which is more than 20 per cent. up on last year. There has been a 40 per cent. increase in applications in recent weeks. As my right hon. Friend the Home Secretary has made clear, he is treating these problems seriously and putting new measures in place to tackle them. He said that in his statement to the House yesterday.

Hundreds of new staff have been taken on to deal with the problems and, to be fair, let us recognise that they are due particularly to the number of passport applications being made for children. [HON. MEMBERS: "Yes, exactly."] It was our policy to implement that measure to improve the situation so that children are not abducted. That was agreed by the all-party group of which the right hon. Member for Maidstone and The Weald (Miss Widdecombe) is a member. The group recommended that measure to the House.

Sir George Young: Not even the Home Secretary yesterday pinned the blame on my right hon. Friend the Member for Maidstone and The Weald. Do the latest figures from the Home Office show that the queues are getting longer or shorter?

The Deputy Prime Minister: Today's figures show that the queues are getting shorter. I have no doubt that the advertising campaign and the information being provided by the Home Office will reassure people. Indeed, 99.9 per cent. of applicants have had their passports processed in time for their holidays. We are sorry for any inconvenience that may have been caused, as my right hon. Friend the Home Secretary said yesterday. The fact that he did not blame the right hon. Member for Maidstone and The Weald just shows how generous he is. I should point out to the House that it was he who came to the House and said that he was sorry for any inconvenience. That may seem unusual to a party that, in 18 years in government, never apologised for anything that it did.

Sir George Young: The figures published today in *Hansard* show an increase of 34,000 outstanding applications for the last week for which figures are available. Given that an additional £10 is currently payable by those who have to queue in person at the passport office to get their passports processed, will the right hon. Gentleman at least consider suspending that fine, which is due entirely to the Government's incompetence?

The Deputy Prime Minister: I am assured that, by 11.30 this morning, the queues had been completely cleared. I should have thought that both sides of the House would welcome that, as it means that less inconvenience is caused. Suggestions about possible changes have been heard by the Home Secretary, and he can consider them. At least we have shown sensitivity in dealing with this problem, and people can be assured that they will get their passports in time for their holidays. The changes introduced by the Home Secretary reduce the possibility that children will be abducted.

Incidentally, I welcome the right hon. Member for North-West Hampshire (Sir G. Young) to the Dispatch Box on this occasion, but remind him that he is the third substitute for the Leader of the Opposition in two years. I do not want to worry him, but look at what happened to the other two. I hope that it will be some time before he has to get on his bike and leave the job.

Sir George Young: I am surprised that the right hon. Gentleman wants to be reminded of his last appearance at the Dispatch Box in this role.

The right hon. Gentleman said that all the queues had been cleared. Half a million people are waiting for their passports and 1 million have been unable to get through to the Government by telephone. Thousands of people are queueing at passport offices and having to pay £10 extra for the privilege. When will the Government start working round the clock to process passports instead of excuses?

The Deputy Prime Minister: As my right hon. Friend the Home Secretary made clear, we are working round the clock and at weekends to clear the backlog. I should have thought that achieving 99.9 per cent. of passport applications in time for people to go on holiday was a record. It is at least a better performance than that of the privatised railways that the Conservative party gave us.

Mr. Lindsay Hoyle (Chorley): I am sure that my right hon. Friend shares my concern about the announcement of 2,000 job losses at British Aerospace. Will he initiate a high-level meeting between the Government and executives of British Aerospace to discuss those job losses in the military division, especially in the north-west? Will he ensure that British Aerospace considers the introduction of civil as well as military work, so that we do not have ups and downs in that high-profile industry?

The Deputy Prime Minister: I am well aware of the concerns expressed by British Aerospace workers, because I have a plant near my constituency. My hon. Friend will know as well as I do that the company has dealt with considerable change over the years. No doubt my right hon. Friend the Secretary of State for Trade and Industry has heard my hon. Friend's proposals. If not, I shall make sure that the comments are passed on to him so that the fears can be dealt with and we can ensure the change that is necessary to keep British Aerospace as a powerful company in the global economy.

Organ Transplants

Q6. [87751] **Dr. Evan Harris** (Oxford, West and Abingdon): What plans he has to increase the number of organ transplants taking place in the United Kingdom.

The Deputy Prime Minister: About 2,800 organs are transplanted each year, but currently more than 5,000

people are awaiting transplants. We are keen to improve donation rates. We are taking steps to increase public awareness, such as through the organ donor campaign, which was launched in October 1998. We want donors to carry their donor cards and, most importantly, to make their wishes known to their families. That is a matter of particular concern. We are developing another important campaign to inform the medical profession about best practice in dealing sensitively with organ donors and their families.

Dr. Harris: Is the Deputy Prime Minister aware that the figures that I have obtained today show that the situation is getting worse? The number of terminally or critically ill people on a waiting list for a transplant has risen significantly, while the number of lifesaving transplants in 1998 dropped by 7 per cent. Is he aware that the current confusion in the law means that those who have given notice of their wish to donate and save a life and whose organs subsequently become available run a 30 per cent. risk of those wishes being vetoed by distraught or bereaved relatives, who should never be placed in that position?

Finally, if the British Medical Association votes next Thursday to support a move to an opt-out system of presumed consent, as has been introduced successfully in Europe, will the Government look seriously at reviewing the situation with a view to implementing such a proposal?

The Deputy Prime Minister: I am aware that the hon. Gentleman has written to my right hon. Friend the Prime Minister today making many of those points. I have seen the correspondence and I am sure that my right hon. Friend will respond. Overruling relatives' wishes is very difficult in practice, however many of us may feel about the issue. However, refusal is almost unknown when relatives know that their loved one wished to donate. That is why our current publicity stresses the need to "let your family know your wishes". I am sure that the hon. Gentleman agrees with that.

I gather that the subject is to be debated at the BMA's annual general meeting. Opinion in the medical profession is divided. Ministers have continually said that we shall consider all suggestions for improving transplant rates, but any proposed measures in that sensitive area will have to command public confidence and support. On a more personal note, when I saw the question I asked myself the same thing. I have always been in support of a donor scheme, but I am not registered and I shall correct that tomorrow.

Engagements

Q7. [87752] **Mr. Keith Simpson** (Mid-Norfolk): Yesterday, the junior Home Office Minister blamed the public for the queues outside the passport office. Does the Deputy Prime Minister support the junior Minister's statement?

The Deputy Prime Minister: Anyone who attended yesterday's debate or read any of the press reports will be well aware that my right hon. Friend the Home Secretary took full responsibility. I know that it was rather unusual under the previous Administration for a Secretary of State to accept responsibility. My right hon. Friend accepts the responsibility and he is getting on with the job to ensure that the problem is settled.

Q8. [87753] **Mr. Phil Sawford** (Kettering): Is my hon. Friend aware that bus drivers and former bus drivers in my constituency and throughout the country very much welcome the action that this Government have taken to restore £355 million to their pension fund—money that was taken from them by the previous Government?

The Deputy Prime Minister: Yes, it is another problem from the previous Administration that I have had to deal with. With all the demands for resources to be invested in transport, finding that I have to foot the bill for an incompetent Government who robbed the pensions of the National Bus Company, and having to repay the £355 million, is an indictment of a Government who were constantly robbing pensioners one way or another. I am pleased that I have been able to settle the matter, find the compensation and bring social justice to the pensioners of the National Bus Company.

Mr. William Ross (East Londonderry): As the Deputy Prime Minister said earlier that he was in favour of open government, will he take steps to ensure that when General de Chastelain publishes his report—perhaps later today, or tomorrow—we shall also have sight of the copy that he had yesterday?

The Deputy Prime Minister: Those are indeed matters for negotiation, as the hon. Gentleman knows. I hope to see a peaceful agreement in Northern Ireland, and I hope that all matters of free and open information should be available as much as possible—[HON. MEMBERS: "Yes or no?"] In this case, it is a matter for consideration.

Post-16 Training

3.30 pm

The Secretary of State for Education and Employment (Mr. David Blunkett): With permission, Mr. Deputy Speaker, I wish to make a statement on the Government's proposals for education, skills and lifelong learning in England. I thank my ministerial colleagues and officials for the work that they have done with me on the White Paper.

Earlier this year I announced a review, and consultation resulted in substantial support for radical change. It is clear that a highly skilled work force is essential for prosperity and social cohesion in the next century, that the existing post-16 system is inadequate for that purpose, that staying-on rates remain too low, and that standards are too variable and are unacceptably low in many areas. There is too little clarity, co-ordination and coherence between further education and training, and there is too much duplication and too many layers in the contracting and funding system.

In view of the need to plan for such major change, we have set out an illustrative timetable—subject, of course, to legislation. Today, I commend to the House our new White Paper "Learning to Succeed", the draft transitional plan that accompanies it, our consultation paper on the future of sixth-form funding, and the parallel consultation on the Small Business Service announced today by my right hon. Friend the Secretary of State for Trade and Industry.

We set out proposals which support the tripartite responsibility of employers, learners and Government. We need to ensure that we have high standards in further education and training, effective planning and funding, and the delivery of national targets. I wish to build on what has worked best and improve dramatically what has not.

Those in further education, training and enterprise councils and the careers service have done a good job; many have given their time freely, and I thank them for that. The local learning partnerships that I announced last autumn are developing a powerful role in bringing together providers and broader interests. Those will continue.

Today, we propose a new national learning and skills council to respond to the weaknesses that we have identified. The council will be responsible for the learning provided to more than 5 million students over the age of 16, funded by about £5 billion of public money each year. The council will bring together the role of the training and enterprise councils and the Further Education Funding Council in funding and contracting for training. It will have separate committees focusing on the needs of 16 to 19-year-olds and of adult learners, ensuring that both are addressed thoroughly.

We need greater coherence to meet the needs of students, trainees and employers. Our proposed new local learning and skills councils will take responsibility for all post-16 learning, from developing basic skills through community learning to the funding of high-level training and for promoting work force development. They will work in partnership with both the new regional development agencies and the existing local learning partnerships.

Each local council will cover a travel-to-learn and travel-to-work area. They will work alongside the local arms of the Small Business Service and co-operate with them and with local authorities on economic development and meeting labour market needs. The new arrangements will cut through duplication and unnecessary bureaucracy, with a saving of at least £50 million a year to fund the needs of learners.

Employers and the nation need skilled, adaptable men and women in order to stay competitive in the modern economy. It is vital that our new arrangements meet employers' needs and engage them in shaping and influencing the range of post-16 provision. That is why, both nationally and locally, employers will have the largest single input in the new learning and skills councils. Trade unions, local government and the service users will be fully represented. I hope that those from small as well as large businesses will work with us to help to determine a budget five times larger than that administered by TECs. Our goal is a funding system that responds to the needs of learners rather than institutions and that encourages greater participation and achievement.

Individual learning accounts, the university for industry and new incentives through the tax system will make learning more accessible. I also want higher standards and greater choice for over-16s through more co-operation between school sixth forms, sixth-form colleges and further education. Such co-operation already exists in certain areas. Both schools and colleges play a central role in the education of 16 to 19-year-olds.

We intend to promote high standards across all providers, but there are different levels of funding for 16 to 19-year-olds depending on which institution they attend. That is why the Further Education Funding Council announced last week significant improvements in the funding of colleges for those taking three A-levels. Over a period, we want to develop the principle of equivalent funding for equivalent courses. We will guarantee that present levels of funding for any school sixth form are at least maintained in real terms, provided that student numbers do not fall.

Our focus is on improved standards, increased probity and renewed emphasis on quality. Over the past two years, the Further Education Funding Council and training inspectorates have identified and tackled the weaknesses in poorly performing further education and training providers. We want to introduce greater rigour and coherence, so we will create a new adult learning inspectorate to deal with all post-19 education and training, with responsibility for inspection of work-based training for students of any age. Ofsted will be responsible for the inspection of provision for 16 to 19-year-olds in schools and colleges. The two inspectorates will work together on the inspection of colleges for that age group.

The support and guidance that young people receive is vital to their future. In the White Paper we outline a programme called "Connexions", which is designed to address the needs of young people. We propose a new youth support service to modernise and reform the careers service and improve links with the youth service: a new gateway to work and learning. We will publish further details, alongside the report from the social exclusion unit, shortly.

The proposals will make it easier to improve standards, to increase the skills of our work force, and to foster greater efficiency and co-ordination between national

training organisations, work-based training, employers and formal providers. They will help our young people to make better and more informed choices about the best route to success, and focus resources on the needs of learners.

Above all, we aim to modernise learning and skills for the economic challenges of the new century. Investment in human capital will be the foundation of success, both economically and in building a cohesive society. I commend the White Paper to the House.

Mrs. Theresa May (Maidenhead): First, I thank the Secretary of State for prior sight of his statement and of the White Paper—although, at least in relation to the White Paper, perhaps I need to improve my skills by training in speed reading.

The Opposition recognise that the education and training of young people and others post-16 is of the utmost importance for the United Kingdom. We therefore believe that certain criteria must be met by any new proposals for provision of education and training post-16. They are clear and simple criteria, aimed at ensuring the best possible provision to meet the needs of young people and others and the needs of the country.

Do the proposals involve the minimum of centralisation and the maximum of local discretion? Do they minimise bureaucracy and ensure that maximum funding really goes to students' education and training? Do they ensure diversity of provision, flexibility and real choice for students? Finally, will they preserve the best and improve the rest—not impose a new structure, willy-nilly, over the whole system, but preserve those spheres and institutions that have worked well?

Sadly, on all four of those criteria, the proposals that the Government have announced today fail. I say sadly because, in failing to meet the criteria, the Government will be not only failing to meet the country's training needs, they will be failing young people and other learners, as they are the ones who will suffer. The proposals centralise decision-taking, increase bureaucracy and red tape, reduce diversity and throw away what has been achieved in recent years in bringing business into the education and training system through training and enterprise councils.

Today is a sad day for the Government. The proposals show that, whatever their rhetoric, the Government have turned their back on local decision-taking and only pay lip service to involvement of the private sector. As the *Financial Times* said today:

"The last time Mr. Blunkett's centralised approach was adopted was under the Manpower Services Commission in the 1970s and 1980s".

That commission was wound up and the TECs invented precisely because it was recognised that skills shortages and training deficiencies were best tackled by the private sector at local labour market level.

Today's White Paper throws away that local decision-taking and introduces a centralised bureaucracy that will weaken the involvement of the private sector and reduce private sector commitment to local partnership. Bureaucracy will increase. There will now be a national learning and skills council, regional development agencies, local learning and skills councils and local learning partnerships before one even gets to a school or a college, let alone to a student.

How much will the Secretary of State's desire to control every aspect of the education system from Whitehall really cost? Will he tell the House how much the new structure will cost—in capital and revenue—to implement and operate in each of the next three years? How much of that money will be new money, over and above current expenditure? What criteria will be used to judge the distribution of funding by the national body? What percentage, if any, of national funds will be made available through, or on the decision of, the local learning and skills councils?

Will the Secretary of State explain how large those local learning and skills councils will be, how many staff they will employ, and what is a "travel to study and work area", which is the area that they will cover? If they have no power in the discretionary release of funds, what will their purpose be, other than as a fig leaf to hide the Government's centralising tendencies?

Three groups of people will lose out as a result of today's proposals. The first to lose out will be the Deputy Prime Minister, whose regional development agencies will be emasculated in their education and training role. The right hon. Gentleman has not had a good time recently. First, the Prime Minister drove up his bus lane, and now the Secretary of State for Education and Employment has driven a coach and horses through his regional development agencies.

The second group to lose out will be business. Over the years, many business men and women have given voluntarily of their time and that of their companies to TECs because they were concerned about improving training and enhancing the skills base in the country as a whole, but especially in their local communities. They are now to be cast to one side. How will the Government convince the business community that it will continue to have a real role to play, when that role is to be subsumed in a national body? The White Paper is 84 pages long, but the question of engaging and involving businesses merits only half a page.

Will the Secretary of State confirm that the national body will include employer representation, rather than business representation, and so could be led and driven by the public sector? By what criteria will the Government judge whether local business needs are being met in any particular area? If they are not being met, what action will be taken, and by whom? There is real concern in the business sector that the new bodies will fail to address real needs and will become nothing more than talking shops. As one business man told *The Guardian* recently:

"What is going to happen now is a reversion to the days of manpower planning which did not work."

Perhaps this is more about the internal debate in the Labour party than it is about providing training and education, because the third group to lose out—and the most important—will be young people and other learners. Training provision in their areas will fail to meet the needs of the local community, but it will be determined nationally by the Government's agenda.

School sixth forms have been under threat since the review was announced, but they still do not know whether they have a future. If anything, the statement has made matters worse for them, as they find themselves subject to a further review, consultation on which will be held over the summer holidays. A decision will be reached

[Mrs. Theresa May]

within weeks of the end of the consultation exercise, which therefore looks very much like the normal sham that we expect from the Government.

Will the Secretary of State tell the House who will undertake the review of school sixth forms? How will consultation be conducted with school sixth forms, and with others? Will the Secretary of State confirm that school sixth forms, unlike colleges, will get no additional funding for the new curriculum? If no money is to be made available, what will be the consequences for standards and for schools' ability to offer the full range of subjects under the new curriculum? Will school sixth forms also be excluded from funding for other Government initiatives in future?

Local education authorities are to have two choices: either the Secretary of State will tell them what to spend on school sixth forms, and how, or the national learning and skills council will tell them. Either way, local discretion is reduced. Is this to be the closure of school sixth forms by stealth? Will the right hon. Gentleman reaffirm the undertaking given in this House on 29 April by the Under-Secretary of State for Education and Employment that, whatever the outcome of the review of sixth forms, no school sixth form will close against the wishes of local parents, teachers and education authorities as a result of that review or of today's White Paper? Will the Secretary of State also confirm that anything in the review that does not build on sixth forms will be strongly opposed by the Government, as the Under-Secretary stated?

We have waited a long time for this review. The review of training and enterprise councils was first announced in May 1998. In March this year, it became clear that the results of that review had been ditched, and the Secretary of State announced that he would extend the TEC review to consider options for local and national delivery of learning and skills. Seldom have we waited so long for so much, and got so little.

The Government have had two years to get this matter right. They have produced a mishmash of proposals that leaves many questions unanswered, particularly regarding the future of school sixth forms. The proposals increase centralisation and bureaucracy, but reduce diversity, flexibility and choice. In so doing, they will damage the education and training of all learners post-16. "Preserve the best and improve the rest" should be our watchwords in all education. We want both: sadly, this statement delivers neither.

Mr. Blunkett: I welcome the hon. Lady, in her new guise, to the Dispatch Box and wish her a long sojourn in the post. I have two pieces of advice for her—one is not to be negative and the other is not to take so long.

I am sorry that the hon. Lady has not found it in her soul to welcome our announcements this afternoon, which will involve employers across the board at national and local level in a way that they have not been involved before, with spending of £5 billion—not the £1 billion that training and enterprise councils currently operate under—which will give them influence in driving the skills needs of the nation, in collaboration with all those at national and local level who have a part to play.

I made it clear, when I said that local government would have a role to play in local learning and skills councils, that we were not simply talking about rolling together the term "employer". I say that as it is important that Conservative Members do not mislead people into believing that we are saying something that we are not. That is also true of sixth forms. I gave a guarantee this afternoon on the funding of sixth forms, and I did so on the basis that sixth forms are not threatened by these proposals.

We are talking about getting people to work together to provide real choice for young people and the highest level of efficiency. For instance, I want all providers—further education and sixth forms—to match the productivity and quality levels of sixth-form colleges. For a reduction of 20 per cent. in funding, sixth-form colleges provide the equivalent A-level points to the average sixth form throughout the country. If we can achieve that sort of quality level in every provider, we will have transformed the life chances of millions of young people.

How can I promise the House that we will save £50 million a year and be accused by the hon. Lady of creating new bureaucracy? Far from doing that, we are about to slim down a contracting system that was equalled only by the Soviet Union's wholesale distribution network. In some training and enterprise council areas, 35 per cent. of their budgets have been going on administration and staffing costs. The reality of the situation is that to gain a level 3 vocational qualification, it costs on average £3,900 in further education and £6,100 through a TEC.

If the hon. Lady is to succeed on the Opposition Front Bench, she should do a little homework, which I know she is renowned for doing, get her facts straight and understand that the new slimmed-down system with 50 sub-regional local councils and one body nationally, operating with all those who are prepared to be part of the partnership, will ensure that we deliver to our nation what we have needed for a very long time.

Mr. Malcolm Wicks (Croydon, North): I welcome my right hon. Friend's announcement in the White Paper. It throws an encouraging light on an area of public policy that has been much neglected, albeit at some expense. May I ask my right hon. Friend about the approximately 160,000 boys and girls aged 16 to 18 who are neither in work or in education? That is about one in 11 of that age group. Will he say more about his plans for that important group, bearing in mind that some of those youngsters will have had a bad experience in their own schools and that in some parts of the country some of them may have older siblings who are out of work and dads who have recently been made redundant? How do we persuade and enable that group to take up the opportunities of a second chance—a second chance that they need and the country needs for them?

Mr. Blunkett: I am grateful to my hon. Friend. We need to do so by connecting them with the education and potential employment of the future at a much earlier stage. In many cases, we need to reconnect them with the education service that they have left through truancy or disaffection. We need to do so by building the new service connection from 12 and 13 upwards, so that it links mentoring in school with a gateway and support service for those in the transitional stage between school, post-16 and adult life.

We need to create a careers service and a 14 to 16 curriculum that relates those young people to the world of work, and ensures that they appreciate that only

through qualification will they be able to earn, secure and hold a job in the knowledge-based economy of the future. Through education and maintenance allowances, on whose pilots we are engaged, and through the other proposals that we are introducing, we shall be able to sustain them through that critical period. I hope that the report of the social exclusion unit, which will be published shortly, and the further detail that we shall publish with it, will enable the House to see that we are at last putting together the jigsaw. From sure start in the earliest years, we shall develop the needs of children from the moment that they are born until they enter adult life—giving them the opportunity of learning and work.

Mr. Phil Willis (Harrogate and Knaresborough): We welcome the broad thrust of the White Paper. I do not know whether the hon. Member for Maidenhead (Mrs. May) has completed the school of charm at Smith square, but we have only to look around us, in all our cities, to see how past policies have failed. We welcome particularly the idea of co-ordinating both the planning and the resourcing of post-16 provision. We welcome the setting up of local, sub-regional councils, although we should have liked the regional development agencies to have played a more significant role, as I am sure the Secretary of State is aware.

We have some concerns as to the structure, especially whether, for example, the careers guidance will be only for 16 to 19-year-olds. Will it follow the Welsh model of a careers guidance service that is inclusive of all adults as well? We are concerned about the part to be played by the university for industry—it seems to have a separate identity, with its own structure. It may be complementary, but will the right hon. Gentleman explain why it is not part and parcel of an inclusive programme?

We were promised that we should have standards not structures. However, apart from the new inspection regime, which I am sure will be welcomed by all, there is little about standards. Why has the Secretary of State not taken this opportunity to deal with the tremendous problems relating to the professionalism and career opportunities of our further education staff? One in five full-time staff, and six in 10 part-time staff, have no teaching qualification. Is not this the place to start by giving them their own equivalent of a General Teaching Council or an institute of teaching and learning? This was an opportunity to grasp the nettle and say that our FE lecturers must have increased status and professionalism if we want this agenda to be delivered.

Mr. Blunkett: I thank the hon. Gentleman for his broad welcome for the White Paper. I assure him that the points that he makes are dealt with. May I take this opportunity to say that I delivered the White Paper to Opposition Members an hour earlier than was traditional before we took office? I am not having a go at Liberal Democrat Members; I refer to the comment made by my opposite number on the Conservative Benches, the hon. Member for Maidenhead. I want to assure the hon. Lady that her colleagues used not to do that, although, obviously, I shall be happy to try to do better in future.

The White Paper deals with the question of separating the funding regime from the delivery mechanism. The university for industry, which is a provider and a facilitator of learning, will play its part in the same way as do further education colleges and private providers. In relation to training and quality, it is not only in further education that it is important that the new further education and national training organisation gets a grip on the needs of part-time and full-time employees; it is also important in private training provision, where almost no qualification system exists at all. We need to set up mechanisms to introduce that as quickly as possible. We share that agenda. The concordat that has been reached between the unions and the Association of Colleges and the rebuilding of industrial relations offers real hope that we can lift the morale and motivation of those in formal further education, and that we can improve quality for those in private providers.

Mr. Derek Foster (Bishop Auckland): I warmly welcome the broad thrust of my right hon. Friend's White Paper, which is so important to enhancing the competitiveness of the nation and of regions such as mine and his. But may I say, as someone who has lived through many such reorganisations during the past 30 years, that the acid test of his success is whether he really will devise an employer and learner-driven system rather than one which is for the convenience of organisations, training providers and further education institutes?

Mr. Blunkett: I am grateful to my right hon. Friend. It is clear that the provider-purchaser separation will enable us to put the learner at the heart of what we are doing, through the development of individual learning accounts and the focus on individual learners, and through the involvement of employers who will, for the first time, not only locally but nationally, be able to drive the system. Getting that partnership working and getting people collaborating in a way that overcomes past divisions and conflicts rather than emphasising them will be crucial to success.

Mr. Stephen Dorrell (Charnwood): Does the Secretary of State agree that the whole history of taxpayers' support for post-school training in Britain, going back over many years, has been a history of substantial sums of public money, committed for the best of motives but failing to deliver its objectives, in large measure because of inadequate voice from employers and inadequate influence by employers on the way in which that money is used? If the right hon. Gentleman agrees with that analysis, can he tell the House now what single change he is proposing this afternoon that will make more effective the voice of employers in the training system and, thereby, make the training system itself more efficient?

Mr. Blunkett: I accept a great deal of what the right hon. Gentleman says about the investment of past resources. We have not succeeded in developing our productivity, competitiveness or qualification levels to anything like those of other developed nations. The greater involvement of those who have an immediate interest and who are closest to the needs of delivery are critical, not simply in this new structure in terms of their involvement nationally and locally, but by engaging the new national training organisations, of which there are now 70 since the general election, dealing with particular sectors and, therefore, needs within the economy. We wish to engage them and individual employers, including small employers, and, linked to the Small Business

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Service, their enterprise commitment to making this work better. There is no guarantee that, by involving employers more, we will have a better system. There is a guarantee that, by making everyone engaged and focused on the needs of tomorrow rather than the training needs of yesterday, we might get things right.

Mr. Barry Jones (Alyn and Deeside): I welcome my right hon. Friend's statement, which may well turn out to be historic. Does the statement in any part refer to Wales and does it presage more apprenticeships to service our manufacturing industry, with particular reference to steel and to aerospace? Will my right hon. Friend say a little more about further education colleges, which have been having a tough time and need a boost?

Mr. Blunkett: A separate consultation has been undertaken in Wales, which the Welsh Assembly will be taking forward. We are keen to develop and build on the excellent modern apprenticeship programme. During the past two years, we have had 100,000 modern apprenticeships, and many young people are entering the programme. However, with the development from the old youth training scheme into the new national traineeships and the modern apprenticeships at level 3, there has been a real problem in terms of those finishing their training and, therefore, of retention. We need to examine with employers why that is happening and what sorts of rights of appeal and support young people can be given so that they have the same rights and investment that they would have in full-time education. As I mentioned a moment ago, we want to invest heavily in further education—as we are with the £725 million during the first two years of the comprehensive spending review—lift morale and ensure that the job can be done.

Each year, 3 million-plus learners go through further education colleges. Very few of them are the sons, daughters or relatives of those in powerful positions, particularly in our broadcast and print media. I want them to take more seriously what in France, Germany and the United States drives the link between vocational and academic education and to stop the sneers from the professional classes about what we are investing in today.

Mr. Ian Bruce (South Dorset): I am sure that Weymouth college and other further education colleges that run sixth forms will welcome the hint that they might get some more money for A-level students, but the rest of industry will be very upset with what the Government are saying about doing away with TECs. I am sure that the Secretary of State knows that the governing bodies of colleges such as Weymouth had to sack business governors because they were not allowed to have as many governors as under the previous Government. The input from TECs has been the reason why our economy is working as well as it will—*[Interruption.]*—as it currently is and, indeed, for the reduction in unemployment.

Will the right hon. Gentleman consider carefully what has happened with the new deal? One hundred thousand people have gone through the gateway without TECs being involved; 85,000 of them have found their own jobs without going into any sort of learning. People coming out of the learning options are not getting jobs. In the 12 months since the new deal has been in place, the number of people in the 18 to 24 age group who are unemployed or on a non-employment option has increased.

Mr. Blunkett: Just to put the record straight, 284,000 young people have gone into the gateway and 105,000 have had a job. The programme engages for the first time with qualification and training for all young people who are on the new deal. That never happened on the make-weight schemes that the previous regime put in place. Those young people are contributing to the lowest level of youth unemployment since 1975. Just a few facts would shed a bit of light on this subject.

The central issue that the hon. Gentleman raised at the beginning of his submission—it was not so much a question as a submission—was that employers would be annoyed with the proposals. In March, I embarked on this final review because every agency that had come forward in previous reviews—the TEC national council, the Further Education Funding Council quinquennial review, the Moser commission on basic skills, the skills task force and the chambers of commerce—all said that the existing system was in need of review. That is why we embarked on a fundamental and radical review to get it right. We are rolling with the tide in this country that is in favour of a slimmed-down system in which money is spent on learners, not bureaucracy.

Mr. Gordon Marsden (Blackpool, South): I am sure that the majority of Members agree with me that my right hon. Friend has made a statement this afternoon that shows the way forward from a system that was shambolic, inefficient and inequitable. I congratulate him on that. How does he expect the proposals to benefit and assist part-time as well as full-time students who sometimes fell through the cracks under the previous regime?

Mr. Blunkett: We are pulling together vocational and non-vocational, part-time and full-time courses and young people who are in work and out of work so that the funding tariffs and the contracting system as it exists at the moment make it possible to assist and support part-timers wherever and whenever they need it. That fits in with the programme of linking our commitment to funding for higher education with enabling those in further education to have the same opportunities.

Sir David Madel (South-West Bedfordshire): Do the changes mean that the Government expect a pattern to develop whereby young people will do one or two A-levels in the school sixth form and the other one or two at a college of FE? Will the changes have any effect on schools that are involved in intricate negotiations with his Department on obtaining special technology status or special modern language status?

Mr. Blunkett: The changes will not affect those schools. We are committed to the substantial expansion of investment in specialist schools on the basis of their co-operation with other schools in the area and the wider community.

Young people can do one or two A-levels in a sixth form and undertake one of the new GNVQs at advanced level in a local college. It may be possible for college and sixth-form staff to work together using combined

resources. People could break down the antagonism between providers if they realised that they have a common goal, which is to meet the interests of those young people.

Mrs. Anne Campbell (Cambridge): I warmly welcome my right hon. Friend's statement. May I commend to him the effective co-operation and partnership between Cambridge Regional college, Hills Road and Long Road sixth form colleges and some of the school sixth forms in my constituency? Will he assure the House that his statement will offer some relief to further education colleges, given the funding pressures that they have faced ever since the previous Government imposed swingeing cuts on that sector of the education system?

Mr. Blunkett: I remember attending the Cambridge Regional college with my hon. Friend—I think it was in opposition, but it is all merged into one these days as the years pass by. Yes, we can give a commitment that, as I spelled out, students taking a course in a particular institution in the period ahead will have the same funding whichever college, institution or sixth form they attend. That seems to me to be equitable. The £400 per student for those taking three A-levels, which was announced by the Further Education Funding Council last week, is a step in that direction.

Mr. Nick St. Aubyn (Guildford): In my constituency, Guildford college of further and higher education, which has just launched a new sixth-form unit, will welcome the extra money that the statement presaged. Most 16 to 18-year-old students in my constituency and in other parts of the country are in sixth forms, and for them the death knell for the sixth forms in schools up and down the country has been sounded in this statement. Will the Secretary of State confirm that his guarantee of an increase in real terms relates to an increase in prices, not wages? After all, costs increase year after year because of increased wages. Will he also confirm that he hemmed in his guarantee by saying that resources would be increased provided that numbers were maintained? Surely if extra money is given to FE colleges, their numbers will go up at the expense of sixth forms, which will have to close as a result.

Mr. Blunkett: I despair. We are about to encourage tens of thousands more young people to stay on in further education of one sort or another. That is the endeavour of all of us. We are going to great lengths to persuade them that it is in their best interests to stay on. There is no threat to providers under this system—in fact, quite the opposite. We have gone out of our way to say that we will maintain funding for sixth forms in real terms—and real terms means real terms under anyone's guarantee. I said that increases will be dependent on numbers because if a sixth form dwindles to a handful of students and the school decides that it cannot cross-subsidise to keep it open, clearly that guarantee cannot stand. That is common sense.

I appeal to the Opposition, whatever differences they may have with us about the White Paper, not to go around scaring sixth-form teachers, parents and young people by suggesting that we are about to close sixth forms. We are about to open many more places for post-16 youngsters, because that is the future they will need to compete in the new economy of the new century.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. It will be difficult for me to enable every hon. Member to make a contribution. However, brevity would help me to be more generous.

Mr. Gerry Steinberg (City of Durham): I welcome the proposals that the Secretary of State has announced this afternoon. Does he agree that one of the most disgraceful aspects of further education since incorporation has been its lack of accountability? For example, the Further Education Funding Council and the Department have been unwilling to intervene in some absolute scandals—and many of them have come to light in the past few years. Will the Secretary of State explain how he intends to make further education more accountable and to whom it will be accountable?

Mr. Blunkett: I thank my hon. Friend for his welcome. In chapter 3, from paragraph 34 onwards—which my hon. Friend has obviously not had time to examine thoroughly—I spell out a new, accountable system. I also do that in the same chapter in the early paragraphs about learning partnerships. The development of a local learning forum and the accountability of both the providers and the local learning and skills council—which will have to present a report, detail what they have been doing and answer for the decisions that they have taken—will be very important. It will be linked to the changes that we are making to the governance of further education, the new audit arrangements and the new inspection scheme. Together, they will form a powerful package and will ensure that we root out corruption and lack of probity and lift standards.

Mr. Michael Jack (Fylde): I have had some extremely difficult constituency cases involving post-16 children with severe learning difficulties who have had great problems finding appropriate training opportunities. How will the proposals that the Secretary of State announced today benefit those disabled young people? He puts proper emphasis on the role of technology colleges. Will he explain to the headmaster of Lytham St. Annes technology college in my constituency why, on the day the Secretary of State has made this announcement, that headmaster is facing a funding restriction on the second phase of the moneys that he needs to complete his technology status position? Could the Secretary of State also provide an explanation to Mr. Reg Chapman, the principal of Blackpool and Fylde college, who wrote to me recently to say that national pay agreements exceed in percentage terms the rate at which his resources are increasing? The Secretary of State has properly emphasised FE colleges; what is his message to Mr. Chapman today?

Mr. Blunkett: I shall try to answer all three of the right hon. Gentleman's questions. On the last question, we announced a record increase in further education funding—an unprecedented 8.2 per cent. increase—in this year's Budget. My answer to his middle question is no,

[Mr. Blunkett]

I cannot. I have no idea about that technology college. However, I will write to him about that matter. As to his first question, he is right: there is a very real problem both in the transition from school to post-16 education for children with special educational needs and with the failure to transfer the statement. We must solve that problem and create a new emphasis, through the funding arrangements, to make that possible.

Mr. John Healey (Wentworth): The prospect of greater clarity, coherence and co-ordination of post-16 arrangements is long overdue and very welcome, as is the promise of a large input from local employers into the learning and skills councils. Can my right hon. Friend reassure other local agencies with a detailed knowledge of local labour markets and skills needs—I am thinking of training and enterprise councils, councils and the Employment Service—that their views will be taken into account by the councils as they plan and contract for the services?

Mr. Blunkett: All those engaged in the learning partnerships will be crucial to making the measure work, and their voices will be heard. The training and enterprise councils will obviously be merged into the new structure, as will the Further Education Funding Council. However, those who have given of their time and energy will be key to ensuring that there is the continuity that my hon. Friend seeks in terms of both economic development and labour market needs and concentrating and focusing on what has been lost in recent years: the skills needs of tomorrow.

Mr. Desmond Swayne (New Forest, West): Given the importance of schools in delivering post-16 education, and in view of the statistics that the Secretary of State released last week in order to name and shame local education authorities, does he not now regret the emphasis that he placed on local education authorities in his School Standards and Framework Act 1998? Does he now regret placing back under LEA control so many schools that had escaped the dead hand of local education authority supervision?

Mr. Blunkett: First, the question has no bearing whatsoever on the White Paper. Secondly, I had an interesting experience this time last week, and it was not the local authorities saying that they loved the School Standards and Framework Act, under which I was acting. The hon. Gentleman should go back to the drawing board and do a little more homework.

Mrs. Christine Butler (Castle Point): I congratulate my right hon. Friend on his statement, which the sixth-form college in my constituency will broadly welcome. It is appropriate to warn Opposition Members that if they were listening, instead of reading the odd item in the newspaper, they would appreciate that almost every provider of post-16 education is saying, with the same affirmative voice, "Well done. This is just what we wanted."

There has been a disparity of almost 30 per cent. between post-16 provision in schools and in colleges. That needs to be addressed. Will my right hon. Friend tell us when he thinks the same level of funding will be available for all post 16-year-olds? Will he advise us whether the careers service will be incorporated into the new body, and whether that body will be able to tackle post-19 education to fulfil lifelong learning?

Mr. Blunkett: On the second part of my hon. Friend's question, the careers service will form the core of the new service for young people. Of course, that will also dovetail and develop with the adult guidance service—this relates to the question asked by the Liberal Democrat spokesman, the hon. Member for Bath (Mr. Foster)—so that we have a seamless provision for people across the board. I welcome my hon. Friend's question. I cannot say how long it will take to equalise funding for particular courses, but I can guarantee that it will be done as quickly as possible, given the negotiations that I shall, no doubt, be having with the Chancellor of the Exchequer in the months and years to come.

Mr. Graham Brady (Altrincham and Sale, West): My hon. Friend the Member for Maidenhead (Mrs. May) urged the Secretary of State to seek to preserve the best and improve the rest. He will know that school sixth forms in my constituency deliver some of the best post-16 education in the country. Will he reassure them that he bears no malice to school sixth forms by guaranteeing that capital and revenue funding will remain available for the expansion of existing sixth forms in schools and for the establishment of new sixth forms in schools on exactly the same terms as it will be available for the expansion of further education colleges?

Mr. Blunkett: I made it absolutely clear that we intend to expand all sectors of the post-16 arena. We want to do so on the basis of need and demand. If there is a demand for additional sixth-form places, we will meet it and we shall do so on the basis of the commitments that we have already made. I want to put on record once again that this is not an ideological decision. For the past two years, we have been making decisions on the basis of meeting that need. Sixty per cent. of youngsters between 16 and 19 in full-time education are not in sixth forms, but 40 per cent. are, and that 40 per cent. matter as much to us as they do to Opposition Members.

Mr. Barry Sheerman (Huddersfield): My right hon. Friend will know that this statement could represent a new beginning for this sector of education. He will be aware, as I am, that any judgment made will be on the basis of the quality of education and training delivered to young people. Does he know that many employers will be thankful for his announcement because for a long time they have been putting their energy and work into training and enterprise councils, and then having all their efforts dashed by the diktat from a Department run by the previous Administration that pushed them into cheap, quick, low-value training? This new beginning will be based on the quality that we shall provide in the coming years.

Mr. Blunkett: I am very pleased to say yes.

Miss Melanie Johnson (Welwyn Hatfield): While recognising the very many flaws in the present system and the waste and inefficiency, my right hon. Friend also recognised in his comments the good practice that exists in some areas and in some pockets. I am thinking especially of Hertfordshire training and enterprise council, which covers my constituency and those of a number of my hon. Friends. Will my right hon. Friend comment on how good practice will be secured by the developments in the White Paper?

Mr. Blunkett: We wish to build on excellence wherever it is. Some excellent work is going on through training and enterprise councils. We wish to ensure that we secure it and build on it. I shall say exactly that at the TEC national council conference tomorrow.

Mr. Richard Burden (Birmingham, Northfield): I welcome my right hon. Friend's statement, especially what he said about locating the councils at sub-regional level, which makes a great deal of sense. I welcome what he said about the need for national targets, but I put it to him that it is vital that the new structure is flexible, building on the partnerships that already exist in many areas, linking with the Small Business Service and, crucially, with the regional development agency network. Will he say a little more about how the new structure will show such flexibility?

Mr. Blunkett: It will be possible to have flexibility within the new structure, enabling the learning and skills councils at local level, with the national training organisations and the regional development agencies, to plan what is right for their region and their sectors, so that there is much greater synergy between what is required locally and what is deliverable in terms of the funding tariffs, the contracting system and the available funds. This is a real opportunity for people to get it right in their locality.

Mr. Michael Clapham (Barnsley, West and Penistone): I welcome my right hon. Friend's statement. He will be aware that the Conservatives never really understood the apprenticeship scheme, which is why they destroyed it in the 1980s. Will he ensure that the national learning and skills council promotes the national apprenticeship scheme as an alternative career structure and that, at the same time, opportunities are extended to join the national apprenticeship scheme?

Mr. Blunkett: Wholeheartedly I can. The Small Business Service will also help promote to small businesses that have not necessarily become aware of the opportunity of modern apprenticeships this high-level, high-quality opportunity to give young people real skills and hands-on experience for the future.

Barbara Follett (Stevenage): Given the enormous contribution made by further education colleges, such as the North Hertfordshire college in Stevenage, to their local communities, will some of their representatives be given the opportunity to serve on the new sub-regional skills bodies?

Mr. Blunkett: The answer is yes. The local learning partnerships will obviously engage a range of providers and other interests, but they will also have representation on the local learning and skills council. It will, however, be driven by the needs of learners and employers rather than of providers, and we must get that balance right.

Mr. Ronnie Campbell (Blyth Valley): I welcome the statement as a great step forward for training and education, but will it help the post-16 kids who leave school with no qualifications and usually drift into crime and drugs and have no prospect of a job?

Mr. Blunkett: I honestly think that we shall be judged in future on whether we have made any inroads into helping those young people. Therefore, we need to come together, whatever differences there may be, to build on those interesting and challenging experiments in the voluntary sector, and on the new start initiatives, which are starting to work, so that we can reach out to those young people where they are and draw them in on terms that engage them again, not only with learning but with the community and society around them.

Mr. Hilary Benn (Leeds, Central): Is my right hon. Friend aware that many people will warmly welcome his announcement today, not least because, essentially, he has brought education and training together, in keeping with the spirit that led to the creation of a single Department for Education and Employment by the previous Government? If I may say so, that is why I think that the remarks of the hon. Member for Maidenhead (Mrs. May) were so wide of the mark.

I should like to ask my right hon. Friend a specific question about the new arrangements. Is he able to give an assurance that the support which training and enterprise councils and the Further Education Funding Council now give to trade unions to help them promote learning in the workplace will continue to be provided by the new learning and skills councils?

Mr. Blunkett: First, I welcome my hon. Friend to questions on my statement. I knew that he was going to give me a hard time in his new role.

There has been enormous co-operation in the development of work force learning and in the part that trade unions are playing. I spell out clearly in the White Paper that we want to build on bargaining for skills, on employee development programmes and on the excellent work that has been done through the union learning fund. Employers have welcomed this as a key role for agreement with trade unions. It is the future in terms of developing learning representatives in the workplace and in focusing on what benefits both the individual and his employer, which is high productivity, high added value and jobs for the future.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I am afraid we must now move on. There will be other opportunities to return to this subject.

ROYAL ASSENT

Mr. Deputy Speaker (Sir Alan Haselhurst): I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified her Royal Assent to the following Acts and Measures:

Health Act 1999

Water Industry Act 1999

Tax Credits Act 1999

Breeding and Sale of Dogs (Welfare) Act 1999

Road Traffic (Vehicle Testing) Act 1999

University College London Act 1999

Imperial College Act 1999

HFC Bank Act 1999

Cathedrals Measure 1999

Care of Places of Worship Measure 1999

Holocaust Remembrance Day

4.32 pm

Mr. Andrew Dismore (Hendon): I beg to move,

That leave be given to bring in a Bill to introduce a national day to learn about and remember the Holocaust.

This year, I visited Auschwitz-Birkenau for the first time on a visit sponsored by the Holocaust Education Trust. As I went round the various blocks, I felt a sense of powerlessness and of the dehumanisation which still pervades the site. I could only wonder at the absolute terror that the Nazis' victims must have felt. The cold-blooded, methodical processing of fellow human beings was brought home to me by the huge and tragic piles of personal belongings and by the detail, such as the systematic removal of laces from the mountains of victims' shoes. The sheer scale of the operation was revealed only at Birkenau, where 1.5 million people died.

At Auschwitz, I was privileged to be in the company of 150 teachers from all parts of Britain who specialise in holocaust studies. We all came away with a sense of the overwhelming importance for all communities and for people of all ages to commemorate, and learn from, the holocaust.

I appreciated more than ever how unique the holocaust was. It was a defining episode of our century, a crisis for European civilisation and a universal catastrophe for humanity. It remains an unparalleled act of genocide in its vast scale. It was perpetrated by evil, harnessing the processes and technology of what was a modern, industrialised country.

The need to commemorate the holocaust applies in Britain as much as anywhere. Our country made terrible sacrifices to defeat Hitler. The period of Nazism and the second world war remain a defining episode in our national psyche. However, we were not affected directly by the holocaust in the same way as occupied mainland Europe.

Although the holocaust is now taught as part of the history syllabus for 13 and 14-year-olds, those aged over 25 have not been so privileged. For instance, I did not study it when I was at school. Learning about, and remembrance of, the holocaust must extend beyond formal education and childhood. It is right that our busy way of life should be punctuated by a day each year so that learning and remembrance can continue. That is why we need a holocaust remembrance day. It will provide a national focus for promoting a democratic, tolerant and respectful society. It will emphasise the positive values of Britain and of civilisation and draw attention to the consequences of the alternative.

More recent persecutions in Rwanda and the Balkans have dramatically and tragically underlined the lessons of the holocaust. Those lessons are just as relevant decades after the war as they were when Auschwitz was liberated in 1945. NATO's reasons for intervention in Kosovo graphically demonstrate that the holocaust still has a clear resonance for today's world leaders. It is vital to retain that understanding in future generations of leaders, which is why a remembrance day is so important.

The holocaust remembrance day in Britain could be marked in a number of different ways. For example, nationally, there could be a service or ceremonial occasion, perhaps including a keynote speech by my right

hon. Friend the Prime Minister, who has given great encouragement by setting up a consultation, through the Home Office, on the concept of a remembrance day. Lighting a yahrzeit candle in memory of all victims of the holocaust could form a central part of such a ceremony.

In schools, the remembrance day would emphasise that the holocaust is important and more than a mere academic subject. The day would lend itself to assemblies, school projects, exhibitions and fund-raising events. The message would extend to the wider questions of anti-racism, tolerance and respect, and of understanding the values and customs of different groups in our society.

For the first remembrance day, literature could be distributed to all households to explain the relevance of the holocaust and the importance of the remembrance day. In Sweden, for example, the Prime Minister's office has already produced a book on the holocaust to be given free to each family who ask for it. Local communities could also mark the day together with events and ceremonies in their churches, synagogues and town halls.

Those events would generate great media interest nationally and locally. The remembrance day would be a catalyst to scheduling television and radio programmes about the holocaust and related issues of genocide, racism and human rights, which would emphasise why the remembrance day is so important.

Clearly, there needs to be consideration of what is the best date for a remembrance day and we need to bear in mind the main objectives, which are to touch the population as a whole and to let schools use the day to reach out to young people. There are several possible dates, but I suggest the Monday nearest 27 January, which is the anniversary of the liberation of Auschwitz. That would be a convenient time of year for schools and would harness one of the most powerful images of the horror of the holocaust. That date has the additional advantage of coinciding with the date likely to be recognised as holocaust remembrance day in other European Union countries.

The new Labour Government are committed to building a fair and prosperous society in which everyone has a stake and the rights and responsibilities of individuals, families and communities are properly balanced. In our ethical foreign policy, we are seeking to spread the values of human rights, civil liberties and democracy, which we demand for ourselves. Our citizenship programme in schools will be designed to teach equality and diversity, democracy, the duty to act responsibly, the ability to recognise forms of manipulation and persuasion and concern for human rights. A holocaust remembrance day would be another focus for those building blocks of a civilised society.

Each day, the link with the holocaust through its survivors is weakened as they pass away or their memories fade. It is vital to ensure that remembrance of the holocaust as a unique tragedy is perpetuated, and I believe that we should not delay in that.

Question put and agreed to.

Bill ordered to be brought in by Mr. Andrew Dismore, Ms Karen Buck, Mr. Tony McNulty, Mr. Fabian Hamilton, Mr. Stephen Twigg, Mr. Mike Gapes, Mr. Peter Bradley, Mrs. Louise Ellman, Mr. Ivan Lewis, Mr. Stephen Hepburn, Mr. James Clappison and Dr. Evan Harris.

Holocaust Remembrance Day

Mr. Andrew Dismore accordingly presented a Bill to introduce a national day to learn about and remember the Holocaust: And the same was read the First time; and ordered to be read a Second time on Friday 23 July, and to be printed [Bill 131].

Orders of the Day

Disability Rights Commission Bill *[Lords]*

As amended in the Standing Committee, considered.

New Clause 2

ACTION PLANS

'.—(1) The Secretary of State may make regulations to enable a provider of services under Part III of the 1995 Act to lodge an action plan with the Commission.

(2) An action plan may provide for changes to policies, practices or procedures or any other arrangements under Part III.

(3) An action plan shall comply with any requirements as to its form or its content as specified by the Commission.'.—*[Mr. Boswell.]*

Brought up, and read the First time.

4.39 pm

Mr. Tim Boswell (Daventry): I beg to move, That the clause be read a Second time.

Before I speak to the new clause, I make it clear to the House that I am new to the responsibility of speaking on disability issues for my party. That will perhaps become apparent in a few moments. I take up that burden with some diffidence, but with a degree of satisfaction. It is important for all of us who have constituency and other experience of these issues to be aware of the importance of achieving their proper resolution—for the individuals concerned, and their families and carers, and in respect of setting the tone of society. We must show that we have a collective responsibility and a collective readiness to care for, protect, support and empower the people who may benefit from the Bill. It will be particularly appropriate to consider whether those who are not in a position to be articulate in their own interests might be able to use the commission to advance their rights.

On a personal note, I express my gratitude to my immediate boss, the shadow Secretary of State, my hon. Friend the Member for Maidenhead (Mrs. May), who previously assumed this burden and took the Bill through Committee. I also thank my hon. Friend the Member for Tiverton and Honiton (Mrs. Browning), who participated constructively in those debates. In the same vein, may I say how pleased I am to have the opportunity to debate this matter, on this and no doubt on subsequent occasions, with the Government team? I am glad to see on the Government Front Bench the Minister for Employment, Welfare to Work and Equal Opportunities and the Under-Secretary of State for Education and Employment, the hon. Member for Barking (Ms Hodge), who had to bear the burden of taking the Bill through Committee. She has had to think about the amendments and respond to them, and one could fairly say that she has done a good job. She has come back with a number of serious amendments, which we shall discuss in due course. They reflect the concerns expressed by my hon. Friends and others in Committee and offer a degree of tidying up as well.

Given the context, and the failure to achieve consensus in the past, but also given the real advances that successive Governments have made in this area, it is right that there has been some consensus on this matter. It is in that spirit that we move our new clause. One might almost call it "Opposition lite", in the sense that it is the only new clause that we are moving. The selectors, in their wisdom, precluded consideration of one or two other matters, which may already have been touched on in Committee.

This provision would add a new element. I recognise that the Under-Secretary is in a difficult position because this comes right at the end of our consideration of the Bill and their Lordships have already dealt with the Bill. If she does not quite like what we have said, there is not much that we can do about it, but she may be able to reflect our thinking and that of the disability groups that contacted us. In that case, we will have supplied a draft and she can decide what to do about it.

The hon. Lady knows better than I do that clause 4 sets out how the commission may make a formal investigation and serve notices on individuals or legal persons to do something about the discrimination that has been found to be practised. That is a practical and sensible approach, because the clause suggests that

"The notice may require the person concerned . . . to propose and finalise an adequate action plan (subject to an in accordance with Part III of schedule 3) . . . and . . . once that action plan is finalised, to take any action which . . . is specified in the plan; and which he has not already taken".

I emphasise to the House that action can be taken only in the context of a complaint or an investigation that has shown a defect in the arrangements when someone has gone to the person concerned and said, in English, "What are you going to do about it?" That is reasonable enough.

The new clause goes further and builds on the concept by looking at action that might be taken—occasionally, my classical training comes back into my mind—proleptically, which means ahead of being forced to do it, before a formal investigation. Hon. Members with Treasury experience will be familiar with the concept of taking an idea to the Inland Revenue and saying, "We are minded to do this; would you take note of it and advise us whether it is acceptable?" That is the background to our thinking.

We are not trying to subvert the concept of action plans. We want to build on the idea and extend it to cases in which the commission has made no formal request for action. The disability interests who have lobbied us have said that it would further assist service providers and disabled people if the commission were able to be proactive, helping with the development of action plans for organisations that it was not proceeding against for discrimination. Service providers who were genuinely trying to act responsibly and take account of the Act and who wanted to be sure that they were taking the reasonable steps required of them under part III might feel reassured if their action plan were endorsed—or run—by the commission, even if that does not in itself admit to an exemption. We are not trying to produce an elaborate means of hoodwinking the commission, drawing the wool over its eyes or doing a sweetheart deal. We are saying that it would be helpful for those with a problem to be able to explain to the commission in good faith how they would like to deal with it and ask the commission for a response.

We expect the commission to be heavily engaged initially. We are not saying that it should be required to take a role on action plans if it does not want to. It could

politely decline to comment. We recommend that the commission should be given the chance to develop that side of its activity without subsequent onerous primary legislation to make that possible. Equally, the commission must have the discretion to make provision for action plans that meet its requirement to be lodged with it.

The issue of precedent is bound to be raised at this point. It was suggested in Committee that action plans had no precedent in UK law. I remember at least the concept of action plans in relation to education. We were considering education action zones in the Education Act 1993. Local education authorities or schools were required to produce them. The idea is not new. My wife is not a speaker of Welsh, but the Welsh Language Act 1967 provides for mandatory action plans, called statutory schemes, for public authorities in Wales. There is also Australian legislation that provides for similar action plans, as well as the precedent, which I have cited before, of what the Inland Revenue can do.

Nobody wants to overload the new commission. Nobody wants it to be tricked into signing up to something that is unsatisfactory or second rate. We want to enable it to give advice in good faith about plans before push comes to shove in litigation or legal process. That is consistent with many of the points that the Conservatives have made on the Bill. The Government like to emphasise the importance of partnership, consensuality and trying to get things agreed rather than people taking what I might call narrow-minded, litigious attitudes, if that can be avoided.

I refreshed my memory about that in relation to the general functions of the commission and, if the hon. Lady cannot accept the new clause as drafted—if she can, of course, I shall be delighted—I would like her to say something about the possibility of the commission's at least considering giving assistance to service providers, as part of its general duties.

The commission is supposed

"to work towards the elimination of discrimination . . . to promote equalisation of opportunities"

and

"to take such steps as it considers appropriate with a view to encouraging good practice in the treatment of disabled persons".

Those are general obligations, but they might also be applicable to the particular case.

In any event, we are anxious, and the new clause is an attempt to put down a marker that says, "Let us be as constructive and flexible as possible. Let us encourage people to think about their actions ahead of the event, before they are forced to." The result could be better-planned action taken in better time, and matters might be resolved before it is ever necessary to get involved in the rather messy—and, one hopes, infrequently used—business of enforcement.

I commend the new clause to the House, and I shall be interested in any comment made about it on either side of the House, as well as in the Minister's response.

Mr. Mark Oaten (Winchester): The concept of the action plan certainly has some appeal, but my concern about the new clause is that it would be in danger of adding to the several different tiers of action that the commission could take.

At present, there are three powers. The first, which we all welcome, is an education role, which involves going out and talking to organisations, working with them and trying to put good practice in place. The second, slightly tougher, power is the power to enter into written agreements. Perhaps we shall debate later whether those should be private or public. The commission can certainly say, "Something isn't right, and we need to put a written agreement in place to tie up some of the issues."

The third key area—the last resort—is the issuing of non-discrimination orders. My problem with the action plan is that it could cover any of those powers. I can envisage an action plan involving a management consultancy function, in which an organisation would want to get involved as part of its education work. Organisations could welcome the commission in and say, "Give us advice." In those circumstances, it is almost inconceivable that, by the very nature of its work, the commission would not come back with an action plan describing what the organisation should do. That would happen almost naturally, as part of the education process.

As for written agreements, I must ask: what will an agreement be about? Surely it has to be about what the organisation should do to put things right—the very point at which the action plan would, by default, apply. Thirdly, a non-discrimination order would also need to set out the reasons why it was being made, and why things needed to be put right.

Therefore, although I welcome the concept behind the new clause, I think that, by default, actions plans will be made at several stages anyway. Indeed, I would be extremely concerned if they were not, because that would make nonsense of the commission's existing procedures. On that basis, I do not support the Opposition's proposal, because it clouds the issue and would put in place a fourth tier and, because of the other powers already provided, that will not be necessary.

The Parliamentary Under-Secretary of State for Education and Employment (Ms Margaret Hodge): I welcome the hon. Member for Daventry (Mr. Boswell) to his Opposition Front-Bench position. I look forward to working with him on a whole range of issues involving people with disabilities, and I hope that there can be unanimous agreement across the Floor of the House on many of the issues that we face and the policies that we shall try to develop.

I hope that, having read our proceedings in Committee, the hon. Gentleman will recognise that we tried to respond to amendments and incorporate them if they improved the Bill. I hope that he will listen to my reasoning on the new clause and withdraw the motion.

I am sad that the hon. Member for Maidenhead (Mrs. May) has left. I have certainly enjoyed working with her on these issues. I first met her when she stood against me in Barking. At that time she was Essex girl, but now she represents the royal county of Berkshire. I do not know what effect that has had on her; I prefer to remain Essex girl, representing Barking.

Mr. Boswell: If the Minister cares to consult my CV, she will see that I was born in Brentwood. I am inextinguishably and indelibly Essex man.

Ms Hodge: A combination of Essex man and Essex girl will do wonders for our proceedings.

[Ms Hodge]

I agree entirely that it makes sense for organisations to plan to meet their duties under all parts of the Disability Discrimination Act 1995, including part III, and that it often makes sense to prepare an action plan. Indeed, the disability rights task force—which I am currently chairing and which is examining what further amendments may be required in legislation and what further action needs to be taken to improve civil rights for people with disabilities—has considered the issue and come to the preliminary view that action plans should be voluntary, not compulsory, for the private sector.

I also agree that the commission may want to help organisations to develop action plans. The difference arises over whether it would be appropriate or whether there is a need to make provision for regulations in the Bill to allow that to occur.

Mr. Boswell: The Minister is being very helpful. Can she confirm that we do not need to make a special provision for the commission to be helpful to those who volunteer to prepare the plans, because the Bill as drafted provides for that?

Ms Hodge: I was just about to say that. The commission can decide whether to produce guidance for service providers on the form and content that action plans might take, and there is nothing in the legislation that would prevent it from doing so. Indeed, I would imagine that the commission will find it appropriate to provide guidance for organisations seeking to fulfil their duties under part III of the 1995 Act. I hope that it will reassure the hon. Gentleman further to hear that there is nothing in the Bill to prevent a service provider from approaching the commission for advice on the development of an action plan.

I have some concerns about the new clause. I understand that the concept is drawn from the Australian legislation, which is quite distinct from ours. In Australia, the production of an action plan can lead to an exemption from specified provisions of the legislation for a specified period, as long as the service provider sticks to the plan.

Individual cases going to court in Australia are subject to a form of central control that is reminiscent of old Labour and is certainly not embodied in the Bill, which is why I wonder why the official Opposition are in favour of the new clause. A case can be taken to court only with the consent of the Human Rights and Equal Opportunities Commission in Australia. There are incentives in the Australian model to work with the commission to establish action plans.

If new clause 2 were agreed to and an action plan were in place, a disabled person could be prevented from taking action in the United Kingdom. If, for example, an organisation had adjusted the service that it provides, such as by providing signing, and a blind person entered the organisation's premises wanting to be taken somewhere, but the organisation refused to oblige, the individual could not take action against the organisation for failing to provide that additional service, which was necessary to exercise his or her rights, if there had been an action plan stating that signing provision was sufficient.

Therefore, in the United Kingdom context, an action plan could limit individuals' rights to service provision as provided by part III of the Disability Discrimination Act 1995.

5 pm

As neither the United Kingdom's current system nor the Bill provides incentives, I wonder whether voluntary actions plans—under which the commission would have power to impose certain requirements—would work.

The hon. Member for Daventry also mentioned the impact of action plans on the business community. I have real concerns about whether the provisions of new clause 2 would undermine the business community's confidence in working with the commission. As he will know, in creating the commission's framework we have been determined to engender such confidence.

The idea that our Disability Rights Commission should impose or specify action although it has no reason to believe that an organisation has broken the law does not sit well with our concepts, enshrined in the Bill, that written agreements—to which the hon. Member for Winchester (Mr. Oaten) referred—and formal investigations should begin only when the commission believes that discrimination has occurred.

For those reasons—and with my confirmation that no provision will stop voluntary co-operation and assistance between the Disability Rights Commission and organisations, or prevent the commission from giving guidance—I hope that the hon. Member for Daventry will withdraw the new clause.

Mr. Boswell: The hon. Lady has perhaps slightly over-argued her case. She mentioned a situation in which it might be impossible to deal with a particular individual's disability on the grounds that the action plan had whitewashed the general issue, making it inappropriate to apply a plan's provisions to that individual. A case can be made for that possibility, which concerned me when I considered the Bill. However, I think that if an action plan were signed on a new and different type of disability, it would not be sufficient simply to have regard to previous provision, unless it were clearly done in the context of a progressive improvement in standards generally.

I said rather little about the impact of plans on business, as I was anxious that there should be—as the hon. Lady rightly said that there should be—a coincidence of commitment, interest and involvement by business and the commission in getting the matter right. I also did not try to suggest that plans should take away individuals' rights or make matters more inflexible than they need to be.

Nevertheless—it would be churlish of me not to say so—the hon. Lady had already given me an entirely satisfactory assurance on the voluntary aspects of the commission's work. It is important—both in general education and, as the hon. Member for Winchester said, at all levels—that there should be proper collaboration and sharing of good practice. It is also very reassuring to hear that the commission may engage itself in the affairs of a particular service provider and seek to give advice.

The advice will not in itself be binding, by precluding the law, and I did not really want it to be. Nevertheless,

the advice will help people to seek and implement best practice. That is what we all want to do. I therefore beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

Clause 4

NON-DISCRIMINATION NOTICES

Ms Hodge: I beg to move amendment No. 1, in page 3, line 6, leave out 'and finalise'.

Mr. Deputy Speaker (Mr. Michael J. Martin): With this, it will be convenient to discuss Government amendments Nos. 2, 3, 6, 8, 10 to 13 and 20.

Ms Hodge: These amendments are minor and technical and have been recommended by parliamentary counsel at this late stage to tidy up the drafting of the Bill. They are designed simply to clarify the provisions in the Bill and to ensure that all cross-references are consistent. They have no effect on the substance of the provisions in the Bill. I ask the House to accept the amendments.

Mr. Boswell: I shall be brief, as I shall certainly not suggest that we divide the House on the amendments. I am rather glad that they have been tabled, although I am little less happy that they have been tabled at such a late stage.

We all know that the parliamentary draftsperson's job is a difficult one and that it is hard to get legislation right. Errors occur that have to be corrected at the end of the House's deliberations. However, it is worth noting that, although the Bill has been considered in the House of Lords—to which all hon. Members, regardless of party, would defer in matters of law—these little matters have been neglected.

Enforcement is always important. I gather that these provisions will be enforceable, in England and Wales, under section 55 of the County Courts Act 1984 and, in Scotland, under the Contempt of Court Act 1981. The provision will therefore not be self-verified under schedule 3 of the Bill.

I am sure that that will add a great deal to the sum of human knowledge, but the embarrassing situation could have arisen in which provisions that had been agreed could not be enforced. However, if the Minister says that the matter has been put right, I shall defer to her and agree to the amendments.

Amendment agreed to.

Amendment made: No. 2, in page 3, line 10, leave out 'that action plan is finalised'

and insert

'an action plan proposed by him has become final'.—*[Ms Hodge.]*

Clause 5

AGREEMENTS IN LIEU OF ENFORCEMENT ACTION

Amendment made: No. 3, in page 3, line 45, after 'the' insert 'unlawful'.—*[Ms Hodge.]*

Ms Hodge: I beg to move amendment No. 4, in page 4, line 43, leave out subsection (10).

Mr. Deputy Speaker: With this, it will be convenient to discuss Government amendments Nos. 7, 9, 14 to 17, 19 and 21 to 25.

Ms Hodge: I begin by reassuring the hon. Member for Daventry that I, too, find it profoundly irritating that the House must consider these drafting amendments at this late stage. However, this is the first Bill that I have steered through the House, and I hope that next time there will be less need for such last-minute amendments.

Mr. John M. Taylor (Solihull): Do not hold your breath.

Ms Hodge: I hear what the hon. Gentleman says. I am afraid that the comments of the hon. Member for Daventry in relation to the previous group of amendments are also relevant to these drafting amendments.

This group of amendments relates to the enforcement of orders made under clause 5 and schedule 3 of the Bill. These sections cover written agreements, non-discrimination notices and action plans.

Amendment No. 16 is technical and simply puts right an incorrect reference to the fact that an order made under paragraph 18(3) of schedule 3 of the Bill would be enforceable under paragraph 23. In fact, the draftsmen have found that the order would be enforceable under section 55 of the County Courts Act 1984 in England and Wales and the Contempt of Court Act 1981 in Scotland, to which paragraph 23 refers.

Amendments Nos. 22 to 25 have also been recommended by parliamentary counsel, to improve the drafting of the Bill by bringing all the provisions relating to the enforcement of orders under clause 5(8) and schedule 3 together in one place—that is, under paragraph 23 of schedule 3. Amendments Nos. 4, 7, 9, 14, 15, 17, 19 and 21 are consequential on amendments Nos. 22 to 25 and would delete what would become unnecessary cross-references to enforcement.

Amendment No. 25 has been drafted to have one further effect, which I would like to cover briefly. This amendment would add a new sub-paragraph to paragraph 23 to replace paragraphs 18(5) and 18(6), which have been drafted in more general terms. Paragraphs 18(5) and 18(6) as drafted enable orders relating to action plans to be modified to alter any time limit so that in the order it is clear that the commission can return to the court for repeated fines in the case of persistent offenders. The new sub-paragraph has been drafted in more general terms so that it covers all orders—for example, those relating to written agreements—not merely those listed under paragraph 18.

The effects of the amendment are limited, as most orders have continuing effect and would not need modification in any event. However, it does mean that, where an order requires something to be done by a particular time and it is not, it is clear that the commission would be able to return to the court for repeated fines until the person complies with the order. In that respect, I hope that hon. Members will agree that the amendment improves the provisions as well as the drafting of the Bill.

I therefore ask hon. Members to accept amendment No. 25 and the other amendments in this group.

Mr. Boswell: Very briefly, I thank the hon. Lady for correcting my confusion—perhaps it was a good indication that these are complex matters. If she has, as I suspect and hope, the opportunity and privilege of bringing further legislation to the House, she will find that it is just as difficult the second time around because these things always seem to happen. It has even occasionally

[Mr. Boswell]

been known for Opposition Members to spot the errors ahead of the parliamentary draftsperson, but I claim no credit for that. It is a complicated area to get right and it is important that the provisions for sanctions and penalties should be appropriate. The hon. Lady explained well how penalties and sanctions should work.

I draw a slight moral from all this—not in any contentious sense—in that it will be important for the commission to understand how the process works. It will need good operational rules, bearing in mind that the nature of the operation means that we do not want a series—perish the thought—of parliamentary draftspersons advising people on their disability concerns. We want people who are able to get a clear understanding of how the law operates and to explain it. That is also very important to service providers. If there is to be a cumulative penalty, as the hon. Lady explained, it is extremely important that people do not fail to comply because they cannot understand the notice that they receive.

May I alert the Minister for Employment, Welfare to Work and Equal Opportunities to the fact that I found this an interesting point? I do not dispute its legality, but it reawakened my interest in the matter even before the transfer of responsibilities when I received a letter from him stating that Members of Parliament would be required to comply with the Disability Discrimination Act 1995 in their capacity as service providers. My only reason for eyebrow lifting at that is that we are not normally paid for the services that we provide, although we are paid to be service providers.

As an example, it is commendable and perhaps exemplary that the Government have told us that we had better do our thing, and I am in no sense seeking to renege on my responsibilities to do so. Indeed, I have had to make adjustments to, and will have to make at least one further change in, the arrangements for my constituency advice bureau to facilitate the provisions; I am sure that other hon. Members will be thinking that they must do the same.

5.15 pm

Within the spirit in which this legislation has been pursued and the way in which we are debating it today, it is important that people should appreciate that the way in which it works needs to be clear. No service provider—acting as a reasonable person, we hope—should be in any doubt as to his or her obligations or as to the way in which they will be enforced if people decide or fail to fulfil them.

I have no difficulty with the provisions. The hon. Lady has explained them well and corrected my misunderstanding, in a letter that was designed to be helpful. I too would give the amendments a fair wind.

Mr. Edward Leigh (Gainsborough): Listening to the debate one might think that we were discussing highly technical drafting matters, which in a sense we are, but the section of the Bill to which the amendments apply is the section that could cause the most problems. I therefore want an assurance from the Minister that she wants to work very much with the grain of good business practice.

In particular, I want to ask her about the agreement in lieu of enforcement action. I want a commitment from her that when those agreements are drawn up, business, in particular small business, will be able to understand exactly what is happening; and that the procedure will not be unduly bureaucratic. Will those matters be dealt with through forms or letters? How protracted will the process be? Will the commission be working on the assumption that we should normally proceed in that way rather than through more onerous action against anyone who may be in breach of their undertakings?

I very much hope that the Minister can give me that reassurance, which will be welcomed by the business community in general.

Ms Hodge: First, on information to service providers, which the hon. Member for Daventry (Mr. Boswell) mentioned, yesterday we laid before the House the code of practice that has been developed by the National Disability Council on the implementation of the first part of part III of the Disability Discrimination Act 1995, which changes policies and procedures. I hope that when hon. Members have had a chance to look at the code, they will realise that it is laid out simply, with many examples to assist service providers to meet their obligations under the disability discrimination legislation.

I am also very conscious that if the legislation is to work, the Disability Rights Commission and others will have to work closely with employers and service providers to ensure that they meet their obligations. We have taken a range of initiatives to assist service providers and employers to do just that.

I hope that hon. Members have seen the start of the "See the person" campaign, which was launched by my right hon. Friend the Secretary of State to raise awareness on disability issues a few weeks ago. That was an attempt on our part to put all disability issues more centrally on the agenda, but specifically the obligations that providers and employers have under disability discrimination legislation.

We are producing a range of new leaflets to assist employers and suppliers of goods and services; they will be available in the coming weeks. We have enhanced the DDA helpline so that organisations can use the services to assist them to comply with the new legislation.

A key duty of the new Disability Rights Commission will be not merely to support individuals to ensure that they get their civil rights in law, but to work with employers and businesses that supply goods and services to help them ensure that there is proper access and equality of opportunity for disabled people as regards employment, goods and services.

In relation to the legislative issues raised by the hon. Member for Gainsborough (Mr. Leigh), we have seized the opportunity to learn some lessons from the operation both of race relations and sex discrimination legislation, of which we have now had more than 20 years' experience. That is why we have tried to ensure that the body will work co-operatively with businesses and suppliers of goods and services, rather than in a confrontational way. We also want to make sure that action is effective; that is why the Bill provides for written agreements to be reached without having to make formal investigations. That is a better way for businesses and individual disabled people to get proper access to goods

and services, and for people to have the opportunity to work, without having to undertake court procedures. This is the first time the concept of written agreements has been included in discrimination legislation.

The Bill includes regulatory powers to tighten up formal investigations, so that they do not go on for ever with no resolution. That has been the experience in some of the formal investigations under the race relations and sex discrimination legislation; it has met the interests neither of organisations nor of the individuals subject to discrimination.

With those assurances, I hope that hon. Members will accept the amendment.

Amendment agreed to.

Schedule 1

CONSTITUTION ETC

Ms Hodge: I beg to move amendment No. 5, in page 13, line 28, at end insert—

'List of consultees

17.—(1) The Commission shall maintain a list of the organisations it has consulted generally for the purposes of any of its functions.

(2) An organisation may be removed from the list if it has not been consulted generally in the 12 months preceding its removal.

(3) For the purposes of sub-paragraphs (1) and (2), consultation is general unless it relates only—

(a) to an investigation to which paragraph 3 of Schedule 3 applies,

(b) to assistance under section 7, or

(c) otherwise to a particular individual or individuals.

(4) The Commission shall make the list available to the public in whatever way it considers appropriate (subject to any charge it may impose).'.

The amendment requires the commission to produce, and make publicly available, a list of organisations that it has consulted. I hope that hon. Members will accept that we tabled the amendment in response to the reasonable amendment tabled by the hon. Member for Tiverton and Honiton (Mrs. Browning) in Committee.

When we discussed the amendment in Committee, I said that I had sympathy with the thrust of what the hon. Lady wanted to achieve, but that I needed to look carefully at the burden that that might place on the commission, and to minimise that burden where it was practical to do so. We have, after all, said that we do not want the commission to tie itself in red tape or to waste resources. Through this amendment, I wanted to address the concerns that were expressed in debate in response to the hon. Lady's amendment. They were that the list should be useful as a point of reference and provide transparency as to whom the commission consults, but that it should not include contacts with particular individuals—such as general practitioners—in response to a particular case.

The key feature of the amendment is that the list would be publicly available, on demand. The commission could decide the best way to make it available; for example, we hope that it might be posted on the internet. That would retain the "publicness" of the list, but would be likely to reduce the cost and administrative burden of producing perhaps several thousand glossy copies—probably as part of the commission's annual report. The list should be updated to get rid of dead-wood organisations—for example, organisations in the voluntary sector that are defunct. The amendment allows the commission to remove organisations from the list, if they have not been consulted during the previous 12 months, but does not require the commission to do so. That would mean that the DRC was obliged neither to start from scratch every year, nor to keep the list under continuous review—both of which could be administratively burdensome.

Only organisations—rather than individuals—would be included on the list, but not if an organisation had been consulted for the purposes of a formal investigation, or if the DRC was giving an individual assistance in relation to proceedings.

Mr. Oaten: If an organisation was paid for the advice it gave, would that point be attached to the provisions that the Minister is listing?

Ms Hodge: We have not specified that point, because we wanted to ensure that the list was more complete than I had suggested in our original exchange of views in Committee. For the sake of completeness, it would be best not to specify that point. However, nothing in the amendment would prevent the DRC from listing organisations that had received moneys for assisting the commission with its work.

With those reassurances, I hope that the amendment, tabled in response to representations from Opposition Members, will be accepted.

Mr. Boswell: As the Minister has reminded the House, she has been as good as her word in tabling an amendment that enshrines the concerns expressed by my hon. Friend the Member for Tiverton and Honiton (Mrs. Browning). In the rather speedy transfer of responsibilities on the Opposition Front Bench, I have not consulted my hon. Friend on the matter. However, she is aware of what has happened and has not expressed her dissent.

In relation to the intervention of the hon. Member for Winchester (Mr. Oaten), I assume that, in deciding whether to state that a charge has been made, the commission will consider whether that would colour the advice that was given, or whether such a statement would be required for accountability. I am sure the commission will be sensitive about that. The same point relates to the provision that the commission should not refer to individuals, or to formal investigation. In relation to our constituencies, we sometimes write letters on the record—indeed, for the record—but there are other occasions when we want to consult individuals confidentially in the interests of our constituents.

We realise that different types of consultation have to take place, so it is important to have a good working list, which is updated by the exclusion of organisations after a period of non-consultation and shows whom the commission has approached for advice, so that those with particular interests can debate matters on which they feel that there are gaps or an undue emphasis. That is wholly consistent with the constructive way in which we have discussed these matters.

Will the Minister comment on one outstanding matter that relates to proposed sub-paragraph (4)? I gather that there was some misunderstanding—to put it charitably—

[Mr. Boswell]

about exactly what the Government's commitment was on charging by the commission. In correspondence, the Minister pointed out that she had confirmed, on Second Reading, that the commission would not be empowered to recover any of its legal costs from compensation awarded to individuals, or agreed outside a court or tribunal. Such costs could be recovered only from an amount for costs awarded or agreed upon—there would have to be some pre-existing agreement or a separate charge for the service given by the commission to the organisation or the individual. I hope that the Minister can reassure us on that point.

There is a general duty on public bodies—for which the Cabinet Office and others publish advice—that they should have a reasonable schedule of charges. From time to time, we all complain that some of the charges that are imposed are excessive—as indeed sometimes they are, and we are right to complain. However, such bodies should be able to institute a reasonable charging policy. If we can complain when we believe the policy to be unreasonable, and if they can explain the rationale for their charges, they should be able to implement them, subject only to the following qualification. We are dealing with people who, by definition, have some difficulties, and with organisations that are often voluntary and do not have large assets. They will not welcome heavy charging by Government or para-governmental organisations. As technology improves, no doubt much of that information may be available on the website and may be free to the user. I hope that it will be. We certainly do not want anyone who has a genuine interest in checking such material to be inhibited by a charge for accessing information.

I should be grateful if the Minister would speak to those points and give me the confirmation that I seek. I repeat my thanks and those of Opposition Members to her for responding to the point put to her in Committee by my hon. Friend the Member for Tiverton and Honiton.

5.30 pm

Mr. Leigh: Maintaining a list of organisations to be consulted is important. I take an interest in social security matters and I serve on the Select Committee on Social Security. It is often a feature of social security matters that, compared with many other areas, there is no well funded, widely based group of natural consultees. In contrast, the agricultural sector has some of the best organised lobbyists in the country, as does defence. If one is taking a decision in such matters, there is almost an embarrassment of riches in terms of consultation. However, the number of people who are sufficiently well funded and interested in social security matters to understand the technical nature of the subject, and who are prepared to be consulted and want to submit good proposals to Government is limited.

Mr. Tom Levitt (High Peak): I rise merely on a factual point to be helpful to the hon. Gentleman. He referred to a list of organisations to be consulted. That is not what this list is. This is a list of organisations that have been consulted in the course of the commission carrying out its duties. I am certain that it is not intended to be a list of the great and the good of approved organisations for consultation. I would hope that a huge range of organisations—any organisation—could be consulted if the commission thought fit.

Mr. Leigh: I am grateful to the hon. Gentleman for clearing up that point.

The point that I want to make is that, although often on social security matters there is a dearth of people to be consulted, or who have been consulted or may be consulted, there is a well organised disability lobby, and that is a good thing. It is the one social security area on which the Select Committee receives excellent briefings from those who might be affected by a proposal. Therefore, I am not too worried about the list of consultees with regard to the disability lobby. It is good, well organised and can put its case across extremely well.

However, I am concerned with the other side of the picture—the business lobby. Full transparency is important. Two obvious business organisations that might be consulted about a proposal are the Confederation of British Industry and the Institute of Directors. However, it is often difficult for such organisations, particularly the CBI, and particularly in relation to issues that might be under discussion by the commission, to take a robust, pro-business approach, if I may put it that way. Obviously, we are dealing with a sensitive area. We are dealing with people who may have severe disabilities and no business organisation, particularly those such as the CBI, wants to receive the bad publicity that it might receive if it is seen to be unduly negative about any proposal.

The Minister presumably has an idea of the sort of people who will be consulted, and I want to be assured that the list of consultees will go further than the large business organisations, which may find it difficult, in public at least, to take a robust attitude. It is important that they should take a robust attitude, that there should be a debate about these issues and that the two sides of the argument should be put. We are potentially talking about a lot of small businesses that might find enforcement of these procedures extremely onerous. That is not because they are unsympathetic to disabled people, but simply because they have limited resources.

I use the amendment as a peg to seek the Minister's reassurance that she understands that the consultation should not simply be limited in the business world to the Institute of Directors or the CBI, but should go wider—perhaps down to a local level, such as the chambers of trade and commerce and the Federation of Small Businesses—so that we ensure that the commission has before it both sides of an argument. Unless that happens, this could be an extremely intrusive organisation which proves damaging to the interests of business and, eventually, to disabled people themselves.

Mr. Peter Luff (Mid-Worcestershire): What I have to say follows from what my hon. Friend the Member for Gainsborough (Mr. Leigh) has just said. It relates not simply to what one might characterise as the awkward customers in the business lobby, but to the awkward customers in the disability lobby. It is clearly important that those who have clear and original thoughts should be included in the list of consultees and should be consulted by the commission.

What slightly concerns me about the amendment is that it gives the commission the right to remove from the list any organisation that it has not consulted for the past

12 months, without a right of appeal by that organisation. Whether that is a small business organisation of the kind described by my hon. Friend, or a small disability rights lobby—*[Interruption.]*

Labour Members disagree, but I feel a little uncomfortable when I read:

"An organisation may be removed from the list if it has not been consulted generally in the 12 months preceding its removal."

I see no corresponding right for that organisation—disability rights organisation, commercial organisation or whatever—to appeal against that removal. The hon. Member for Kingswood (Mr. Berry) looks amazed and aghast at that idea, but it is entirely possible. I welcome the principle of open consultation and this addition to the Bill, but I hope that the Minister will be able to reassure us that the commission will not exclude any body—I mean body in the legal sense, not individuals—or any organisation that could reasonably be expected to be included in consultation.

Ms Hodge: I am happy to confirm to the hon. Member for Daventry (Mr. Boswell), in relation to the recovery of costs from individuals, that the Bill relates to the recovery of costs when an award for costs is made. That mirrors the position that exists for the other commissions. The Bill does not provide for the Disability Rights Commission to recover costs from compensation. Neither can they be recovered from settlements reached outside courts or tribunals, unless an amount for costs has been identified therein.

In relation to the charging policy, it will be for the commission to decide for which services it wishes to charge—for example, the distribution of papers. The commission is not expected to charge for general advice. As I said, I hope that the list of organisations will be placed on the internet where it will be free. However, if a particular organisation requires thousands of copies, it would not be unreasonable for the commission to charge.

With regard to whom the commission will consult and the specific request that it consult the business community, I reassure the hon. Member for Gainsborough (Mr. Leigh) and the hon. Member for Mid-Worcestershire (Mr. Luff) that the commission has been designed to take an evenhanded approach between those individuals who will be seeking to exercise their rights in relation to discrimination and those organisations providing goods and services to the public or acting as an employer.

It may reassure the hon. Member for Gainsborough to know that, on the disability rights task force, which I chair and which is discussing what further steps are needed to secure further comprehensive civil rights for disabled people, are representatives from not just the CBI and the Institute of Directors, but from the Federation of Small Businesses and the chambers of commerce. So we are aware of the need to ensure a broad spread of representation on that body.

We have yet to determine the precise composition of the new commission. We have not been able to do that because the Bill is not law yet, but as soon as it is, we shall ensure that it, too, reflects the broad spectrum of people who have an interest in the commission's workings. I expect there to be strong representation from the business community, the trade union movement, local government and perhaps the health service.

It will, at the end of the day, be for the Disability Rights Commission to decide whom it chooses to consult on particular issues. The purpose behind the amendment, for hon. Members who were not present in the Committee, is to ensure that the process of consultation is transparent and that when the commission comes out with a policy proposal or new code of practice, we all know who has been consulted. It was in the interests of transparency, and perhaps to meet some of the fears expressed by Opposition Members, that we have moved the amendment.

Amendment agreed to.

Schedule 3

FORMAL INVESTIGATIONS AND NON-DISCRIMINATION NOTICES

Amendments made: No. 6, in page 15, line 8, leave out 'which has become final'.

No. 7, in page 16, line 19, leave out sub-paragraph (3).

No. 8, in page 18, line 12, leave out 'day' and insert 'date'.

No. 9, in page 18, line 24, leave out sub-paragraph (4).

No. 10, in page 18, line 30, leave out 'and finalise'.

No. 11, in page 18, line 43, leave out 'and finalise'.

No. 12, in page 18, line 45, leave out 'that requirement' and insert

'the requirement mentioned in section 4(1)(b)'.

No. 13, in page 19, line 6, leave out 'time and insert 'period'.

No. 14, in page 19, line 7, leave out sub-paragraph (3).

No. 15, in page 20, line 3, leave out sub-paragraph (2).

No. 16, in page 20, line 6, leave out 'under paragraph 23' and insert

'to a county court or, in Scotland, to the sheriff'.

No. 17, in page 20, leave out lines 14 to 23.—*[Mr. Jamieson.]*

Ms Hodge: I beg to move amendment No. 18, in page 20, line 25, leave out 'with immediate effect'.

The amendment relates to new provisions now contained in clause 4 and schedule 3, following Committee consideration, on non-discrimination notices and action plans, to which we have already referred. The Bill as it now stands enables the commission to require a person to submit an action plan to address any unlawful acts that have been committed and which are specified in a non-discrimination notice.

The amendment relates to paragraph 19 of schedule 3, which would enable an action plan which has become final to be varied with the agreement of the commission and the person concerned. The amendment would allow flexibility in terms of when any variations would take effect. The Bill as currently drafted would mean that any changes agreed would take immediate effect. By taking out the words "immediate effect", we would enable the commission, the individual and the organisation to respond to those occasions when the commission and the person concerned wanted to agree a variation in advance.

It may help if I give an example. A person may be making provision for a disabled person in a particular way in accordance with the action plan, but realise that, on moving premises, it would be better to change the way in

[Ms Hodge]

which that provision had been made. The original action plan may have been that someone would work on the ground floor. In a changed premises, there may be a possibility of installing a lift that would lead to a change. In that case; the person might want to agree a change to the plan, but to provide that the change would take effect only once the move was completed.

Amendment No. 18 would remove the words "with immediate effect" in paragraph 19 and thus leave it to the parties to decide, as part of their agreement, when any variation would take effect.

5.45 pm

Mr. Boswell: The Government are importing a welcome measure of flexibility into the provisions, which are already fairly flexible. We are pleased that they are moving the amendment. It means that we will not be tied to having everything done immediately. I imagine that it would be possible to contrive to overcome that problem by providing that the variation should be agreed and come into effect on the day on which it was necessary, but then one could have a series of rather complicated provisions leading to a series of variation orders or agreements. So it is probably sensible to proceed as the Government are doing.

The only point on which I seek assurance is that there is no scope for monkey business and non-compliance with the action plan. If the instruction is that the thing should take immediate effect, that is fairly easily pursued, judged and, if necessary, proceeded on. If some date in the future is stipulated, especially if it relates to a contingent event that may not be easy to define, such as "the day I finish moving house", which may not even be easy for a court to determine, the situation will be a little vague. I hope that that can be overcome. I do not think that it is an objection to proceeding with the amendment.

Ms Hodge: There is absolutely no intention of using the amendment to weaken the facilities in the Bill to eliminate discrimination. I simply draw it to the hon. Gentleman's attention that it would require the agreement of all parties to vary the timing of implementation of the action plan.

Amendment agreed to.

Amendments made: No. 19, in page 20, line 37, leave out sub-paragraph (4).

No. 20, in page 21, line 6, leave out 'this sub-paragraph' and insert 'sub-paragraph (3)'.

No. 21, in page 21, line 9, leave out sub-paragraph (5).

No. 22, in page 21, line 37, leave out from beginning to 'with' in line 39 and insert—

'(1) This paragraph applies to any order made by a county court or the sheriff under section 5(8) or under any provision of this Schedule.

(2) Section 55 of the County Courts Act 1984 (penalty for failure to give evidence) shall have effect in relation to a failure to comply with an order made by a county court to which this paragraph applies'.

No. 23, in page 21, line 43, after 'under' insert 'section 5(8) of or'.

No. 24, in page 22, line 6, leave out from 'sheriff' to end of line 7 and insert

'to which this paragraph applies'

No. 25, in page 22, line 14, at end insert—

'(3) If the Commission applies to a county court or, in Scotland, to the sheriff to enforce an order to which this paragraph applies, the court may modify the order.'.—*[Mr. Jamieson.]*

Order for Third Reading read.

5.48 pm

The Minister for Employment, Welfare to Work and Equal Opportunities (Mr. Andrew Smith): I beg to move, That the Bill be now read the Third time.

The debates on this Bill on Second Reading, on Report and in Committee have been good-spirited, as befits a thoroughly good measure. The standing of the commission will be all the stronger and its work all the more effective for the breadth and depth of support now being expressed for its establishment.

The consensus behind the commission is such that I have no need to detain the House with a prolonged speech. I should just like to say that securing this commission is a great tribute to all those who have campaigned long and hard to bring it about. A debt of thanks is owed to the people involved from disability organisations and in the general public, to many Members of this House and another place, to the disability rights task force and to the all-party disablement group. It can be a bit invidious to single out names, but I know that the House would want to join me in voicing particular thanks for the pioneering work of Jack Ashley and Alf Morris, which comes to fruition today in this Bill.

I should also like to thank all hon. Members who served on the Standing Committee, and the Opposition parties for their constructive contribution. This was a very good Bill when it started its passage through the House, and it is an even better Bill now. I should also like to thank the civil servants, the parliamentary officials—and *Hansard* staff and the police—and all who have worked on the Bill's proceedings. It is all the better for their invaluable input.

May I say a particular thank you to my hon. Friend the Member for Newport, East (Mr. Howarth), who put a lot of work into getting this Bill under way, and to my hon. Friend the Under-Secretary, who has thrown herself body and soul into seeing the Bill through so successfully in a good spirit of partnership with disability organisations and others.

We will now at last have a proper independent body to help disabled people to secure their rights. Together with the work of the disability rights task force, the extension of the Disability Discrimination Act 1995, the new deal for disabled people, the disabled persons tax credit and income guarantee and the hearts and minds campaign, this measure marks decisive progress towards comprehensive civil rights for disabled people.

The establishment of the Disability Rights Commission and the action that will flow from that are achievements of which this Labour Government, the disability rights movement and the whole House can be proud. What really matters is the difference that it will make in the lives of disabled people as we open up opportunity, challenge prejudice and discrimination, and enable people to live lives of dignity and fulfilment. The Disability Rights

Commission has an enormous role to play. It is long overdue. Disabled people have waited more than long enough. Let us give the Bill a Third Reading so that they wait no longer.

5.52 pm

Mr. Boswell: The Minister moved Third Reading in a broad and generous spirit. He has expressed thanks to almost all parties, and rightly so. I shall not repeat those thanks, not because I do not share his sentiments but because they have already been expressed. He injected the minimum of partisanship. That is proper because although we may have had our differences in the past on some disability issues, we have now all come together on this measure. It is right that occasionally in this place we find ourselves all on the same side, just as it is entirely right that on other occasions we vigorously debate matters of political tension and hardship. I think that we have found the right balance in this instance, and it respects the circumstances of the case.

I shall not repeat those thanks; I shall merely refer to my diffidence, in that it is almost unprecedented for me to have my first outing on a Bill on Report when others have done all the spadework. However, I believe that even in these short contributions I have reinforced the attitude that we have taken on these matters.

As for how the Bill will work, we have obtained useful assurances and, as the Minister rightly said, the Bill has been improved in response to points made by hon. Members from both sides of the House. The first matter that should concern people is whether the commission will have sufficient resources to do its job. We shall have to see whether there is a sudden flood of cases that have been pent up and not adequately developed. I hope that they can be managed, and that the commission will have the right resources to keep that under review.

The second major concern will be the way in which the commission approaches consultation with the service provider and the business interests that my hon. Friend the Member for Gainsborough (Mr. Leigh) mentioned in several interventions. The Under-Secretary referred to the need for maximum discussion to achieve positive results without cracking the legislative whip. I am sure that that is the right general approach, and I am relieved that that view is shared across the House.

It would be unfortunate if this measure were seen not as a matter of civil rights—I do not dissent from that view—but as a fruitful vehicle for contention and litigation whenever possible. The moral should be to improve awareness and consciousness, to move on to good practice and—if necessary—prescription, and to introduce the big stick only when absolutely necessary and when there is recalcitrance. I do not wish to take away the obligations of employers or service providers, but they should have a chance to behave reasonably. My strong hope and belief is that most of them, given that opportunity, will want to manage their affairs in such a way as to be helpful to the interests of persons with disabilities.

My concluding remarks will be addressed to people with disabilities as they look forward to their new rights. It is important that we do not oversell what we have achieved in the Bill. That is in no sense to diminish its importance or the fact that we have reached agreement on it, but it does not, by itself, remove discrimination and deal with entrenched attitudes and insensitivity. Perhaps no one could legislate to deal with those problems effectively. We must do what we can in legislation, but we should realise that litigation is a difficult process, and for persons with disabilities it is even more stressful.

Having just come to this issue, I was struck by the survey carried out by the university of Sussex for the Institute for Employment Studies, which examined the cases brought during the first 19 months under the Disability Discrimination Act 1995. It interviewed 180 parties and 40 lawyers in 92 cases, and found that the process was daunting and that the problems for disabled people of being in court were enormous. That is undoubtedly true. The assistance of the commission may help to support some of these cases appropriately.

It is important that if attempts to enforce rights come to litigation, lawyers on all sides should bear in mind the circumstances of the parties. We cannot tolerate a situation in which public authorities, private employers or service providers sit it out in the hope that the problem will go away through what was once memorably and chillingly called the biological solution. The answer is to give people their rights and to understand that there will be differences of interpretation. The commission must be used positively and constructively to articulate and determine the rights of disabled people, and to find a practical way of resolving the problem. If possible, it should not become a battleground between the political parties or employers and service providers and persons with a disability.

This is a sensitive issue. I am encouraged by the way in which all parties have worked together. The Government and other parties have worked to try to produce the best possible outcome. We must cast it into existence on Third Reading, with Lords consideration completed, and on to the tide of history. We hope that it will flow in the direction we all want it to flow. I believe that the spirit in which we are dispatching it may modestly help to bring about that objective.

5.59 pm

Mr. Roger Berry (Kingswood): I warmly welcome the Bill, personally and on behalf of the all-party disablement group. I am sure that the many disability organisations that this afternoon issued a press release welcoming the Bill would also wish me to say on their behalf how welcome it is.

The hon. Member for Daventry (Mr. Boswell) said that we should not overstate the importance of a Bill to establish a Disability Rights Commission. I tend to think that there is a great danger of underestimating its significance. It is easy to say that this is an historic occasion for 9 million disabled people in Britain. We have said that before, but it remains true. The more I reflect on the Bill, the more I suspect that we are not yet clear about what its effects will be. I believe that they will be extremely far-reaching.

As of today, there is no statutory body to assist in promoting equal rights for disabled people. The Equal Opportunities Commission and the Commission for Racial Equality deal with discrimination on the grounds of gender and race, but there is no statutory body to assist in tackling discrimination against disabled people. Yet we know that the extent of that discrimination is very great—whether it is in employment, education, housing, transport

[Mr. Roger Berry]

or in any other area of human life. Therefore, I believe that the Bill is profoundly important. It is a measure for which campaigners outside and inside the House have worked for almost 20 years.

Mr. John Healey (Wentworth): My hon. Friend talked about the Bill's campaigners, but no one has worked harder or for longer than he has for this measure. Does he agree that one feature that gives cause for optimism about the implementation of the Bill and the new commission is the wide support that it has received not just from disability organisations but from employers' organisations, including the Employers Forum on Disability, the Confederation of British Industry and even the Institute of Directors, which has welcomed the Bill with reservations?

Mr. Berry: I am grateful to my hon. Friend for those kind comments. I agree very much with his point. I welcome, with the greatest possible enthusiasm, the extent of support for the Bill. One cannot forget entirely the fact that the previous Government were forced to introduce the Disability Discrimination Act in 1995 after years of doing everything imaginable—and even things that I thought were unimaginable—to block that legislation.

One of the most glaring omissions from the Disability Discrimination Act was the lack of any effective enforcement mechanism—the lack of a commission, for which many people had argued at the time. The then Government established the National Disability Council, and it is no criticism of its members—they have done a very good job and I pay tribute to the chair, David Grayson, and his colleagues—that it was never given the power or the terms of reference to do what was necessary. The National Disability Council is the only Government agency that I can recall that campaigned for its own abolition almost from day one. It recognised that we needed a commission, and the Bill will deliver that commission.

Let us be perfectly frank: change has come about first and foremost because we have a Labour Government. Let no one pretend that we would today be debating the Third Reading of the Disability Rights Commission Bill without a Labour victory at the last general election. We are debating the Bill also because the Government have moved with great speed: they found the legislative time to introduce this legislation within a mere two years of taking office. I believe that is a great achievement, not least because of the enormous pressures on parliamentary time.

Every right hon. and hon. Member must be bombarded, day in and day out, with requests for the Government to do this, that and the other—and, in most cases, we agree with all of those requests. That suggests that an enormous amount of legislation is required after 18 years of Conservative Government. The fact that the Government have found the time and given priority to establish a Disability Rights Commission within two years of the general election is a tribute to them and to their commitment to tackling discrimination against disabled people.

I also acknowledge the fact that the disability rights task force, to which my right hon. Friend the Minister referred, has been very effective in advising the Government and in facilitating a dialogue between them and not only disabled people but employers, trade unions and all of those who have a legitimate interest in this field. That reflects an inclusive approach to policy making that should be welcomed warmly. In their press release this afternoon, the disability organisations particularly applauded the fact that they have been involved in the process. They have been consulted and listened to and they feel that they have ownership of the exercise. That is how Government Departments should operate, and I congratulate my colleagues on functioning in that way.

In this month's Royal Association for Disability and Rehabilitation bulletin, the organisation's director, Bert Massie, says:

"It is a credit to disability organisations and the Government that this milestone in the rights of disabled people had been reached less than halfway through this Parliament."

The disability organisations are correct, and I join them in congratulating my right hon. Friend the Minister and the Under-Secretary of State for Education and Employment, my hon. Friend the Member for Barking (Ms Hodge), on the way in which they have steered the legislation through Parliament and have consulted and listened to people.

Many improvements were made to the Bill in Committee, and some were made on Report this afternoon. As a result of contributions made on Second Reading and of proposals advanced by disability organisations throughout the whole process, we have a better Bill.

I also place on record my appreciation—and I am sure that of the House—of my hon. Friend the Member for Newport, East (Mr. Howarth), who was the first Under-Secretary of State after the election to have responsibility for disability issues. I worked with him when we were in different political parties—I hope that those on his Front Bench knew about it at the time—and I pay tribute to him now that we are in a better position: namely, members of the same party.

I think that disabled people and the Government have an enormous amount to be proud of today, but there are others for whom this is also an important milestone. I refer first to the Conservatives. I congratulate the hon. Member for Daventry (Mr. Boswell) on his new post. It was a pleasure to share a platform with him at a meeting organised by Sense and Deafblind UK at the end of last week, and I wish him well. The hon. Gentleman will recall that the Conservatives are recent converts to the need for comprehensive and enforceable civil rights for disabled people—I offer that comment merely as a fact. Therefore, support for the legislation is an important milestone for the Conservative party, and I welcome it most genuinely.

The Bill is also a milestone for many other people—some of whom are perhaps not aware of it. I have in mind employers. Equal opportunities is about much more than equal access to rights and responsibilities. Effective equal opportunities means that employers can be certain that they have employed the best person for the job. Without an effective equal opportunities policy, how can any business know that it has found the most effective employee? Finding ways of overcoming the prejudices and the barriers to employing disabled people allows businesses to employ the best person and to become richer in every sense. Today is a milestone for employers up and

down the country because the Bill will help them to ensure that they are employing the best people for the job, irrespective of any disability that they might have.

When the Disability Rights Commission opens its doors on 1 April next year, not only disabled people will seek its assistance to overcome discrimination: I think businesses will also queue up for advice and information about how to open themselves to the wider community. Those will be the businesses that, to paraphrase the slogan from the current campaign, want to see the person, and understand that social inclusion is about social justice and economic efficiency.

Hon. Members will be aware that I do not often quote President George Bush with approval but, on this memorable occasion, I will. When he enacted the Americans with Disabilities Act in 1990, he said that it would

"let the shameful walls of exclusion finally come tumbling down".

That is what the Bill will help to achieve in Britain. It deserves the unanimous support of the House, and I am delighted that it will, in all probability, receive it.

6.10 pm

Mr. Oaten: It is a pleasure to follow the hon. Member for Kingswood (Mr. Berry), who has done an enormous amount of work in this field. He must be very proud today that the Bill is being passed. We can see the obvious pleasure and delight that he takes in that, and he displayed more pleasure than he did when I last heard him speak in the Chamber.

I warmly congratulate the Under-Secretary of State for Education and Employment, the hon. Member for Barking (Ms Hodge), who mentioned earlier that this is the first Bill that she has taken through the House. It has been a pleasure to watch her doing that with incredible openness. Certainly in Committee, she was very open to points made by Opposition parties. As a new Member who has been somewhat disappointed by the yah-boo politics in this place, I find it refreshing to play a small part in a process in which I have seen how politics can work in an extraordinarily constructive way. I congratulate the Minister on her role in that.

Clearly, Liberal Democrat Members welcome this important landmark in disability legislation. I do not want to hold up the House, because many of the points were made on Second Reading and we have debated the Bill at length. The legislation is long overdue, and the process that we have undergone today has strengthened existing legislation. We have passed a Bill for which disabled groups have been arguing for many years, and we can all be proud of having played a part in that.

There are, however, challenges ahead for the Disability Rights Commission, and we should not be so enthusiastic that we do not recognise that it will face difficult hurdles. Sadly, attitudes are still very tough, and that is why we need such an organisation. Although businesses and the public have certainly changed their attitudes towards disabled people, we still badly need the commission, and it will have many obstacles to overcome, not least the limits on its powers in the areas within which it will be able to operate.

I know that the Government have made it clear that they hope to extend the Bill's provisions to education, policing and transport. Those are fundamental areas, and although the commission will be able to make good progress in the areas included in the Bill, it will find it hard to make progress where there is no legislation for it to enforce. If we are to take a holistic—I hate that word—approach to disabled people, having two such fundamental areas as education and transport outside the Bill's provisions will restrain progress. I hope that the commission will work with the Government to ensure that those areas are brought within the scope of its powers.

Similarly, I have concerns about the commission working with business. It is a shame that not all businesses are included in the Bill. Those with fewer than 15 employees are exempt, which means that about 80 per cent. of companies are excluded from the Bill's provisions. It must be an urgent priority for the Disability Rights Commission to bring that to the attention of politicians and to put pressure on and work with the Government to change that threshold. It will be difficult for the commission to send out a positive message and to educate businesses if many are not legally required to comply.

We have spoken in previous debates about the Disability Rights Commission's requirement for resources. I have taken comfort from the Government's comments about that. That position needs to be monitored; otherwise, we may find that in two or three years the commission's education work expands, as we hope it will, and its resources are too stretched to allow it to help individuals who are trying to be positive and making constant demands for help. If the commission had to refuse help to those people, and it was unable to begin charging them for help, that would be a missed opportunity, and the funding would have to be reconsidered.

I referred earlier to the three-tier process of education, written agreements and the final resort of non-discrimination notices. I am assured that it is sensible, and I think that it will work well. I am slightly concerned about the written agreements, and when the Minister winds up the debate, I should welcome a little more clarification about whether those agreements will be public.

I understand the need to have a positive dialogue with businesses, so that they feel that they can be open about their difficulties. It would not be helpful if that was all made public. Nevertheless, if those written agreements deal with serious cases in which the commission believes that a company has failed in its duties, and an agreement is the last stop before issuing a non-discrimination notice, the public, the company's work force and people who may want to apply to the company have a right to know about the concerns expressed in the agreement. Private written agreements could prevent businesses from being accountable.

A concern that has not been allayed by the amendments relates to the commission's ability to try to tackle organisations that may be about to act in a way that is anti disabled people. It will be difficult for the commission to deal with such problems. It will need to work on events that have already happened, where it believes that the company's actions are discriminatory.

We can all think of examples in which companies may be preparing to act in a discriminatory manner. I am thinking particularly of the building trade, which I mentioned in Committee. Builders may be about to take

[Mr. Oaten]

action that is discriminatory because they have not built a building in the right way or they have not complied with the Government's new legislation on building requirements, but the commission will not have the power to step in at that point. That is a disappointment, because it must be better to try to tackle discrimination before, for example, a disabled person turns up at a house and cannot get inside. Clearly, at that point, the building company will have committed an offence. When the commission is up and running, it will come across such difficulties week in and week out, and those will have to be reconsidered in the future.

This is a super Bill, and we should all be proud of taking part in its consideration. I envisage having to call the commission in a year or so to check that I am myself complying with the provisions and to get help and advice. In a city such as Winchester it is difficult to get offices and buildings converted. As an MP, I have found it extremely difficult to find out how I can follow good practice. The commission will face many demands to do the part of its work that we all want it to do—persuading, educating and taking a positive approach. I am reassured, however, that when things go wrong and that education does not work, the commission will be able to take a firm hand. By putting that provision in place, the House sends those organisations who want to ignore the disabled a strong message that they can no longer do so. We have created a body that will be on their case, and I warmly welcome that and the Bill.

6.19 pm

Mr. Gordon Marsden (Blackpool, South): I am delighted to be able to speak in support of Third Reading. The Disability Discrimination Act 1995 made an important start in providing disabled people with rights of access to employment, goods, services and premises. Yesterday, the Under-Secretary of State for Education and Employment, my hon. Friend the Member for Barking (Ms Hodge), acknowledged to the Select Committee on Education and Employment, of which I am a member, that the first two or three years of that Act's operation had provoked cases and a momentum similar to those created by the Sex Discrimination Act 1975 and the setting up of the Equal Opportunities Commission. Bearing in mind the positive contribution that they made to transforming our society, the Disability Discrimination Act was a good start.

However, the 1995 Act did not provide a platform from which individuals could make a progression. It was a blunt instrument. I believe that the Disability Rights Commission, which I hope that the House is about to bring into being, will give an edge and a temper to everything for which disability campaigners have fought for so long.

I share the delight of my hon. Friend the Member for Kingswood (Mr. Berry) that a Labour Government are introducing the Bill, but it is only fair to say that it builds on the efforts of members of all parties. I add my tribute to my hon. Friend the Member for Kingswood, but I also pay tribute to the hon. Member for Tiverton and Honiton (Mrs. Browning)—and to the hon. Member for Daventry (Mr. Boswell), who presented the Opposition's position very constructively this afternoon.

The Bill ties in with the overall thrust of Government policy to aid and empower disabled people—the new deal for disabled people, the special educational needs Green Paper, the new role for personal advisers in the single gateway, and other measures that the Government are bringing forward, which are giving teeth to the Tomlinson report proposals.

I am delighted that the Bill is being taken through the House by my hon. Friend the Under-Secretary who, as others have said, has displayed great energy and commitment in doing so. In one of her first engagements in her position, she visited my constituency to meet the Blackpool Bears, a disabled sports group that has done admirable work in the Blackpool area.

As an example of joined-up government, I also pay tribute to the work of the Under-Secretary of State for Social Security, my hon. Friend the Member for City of York (Mr. Bayley), for the thought-provoking way in which he has dealt sensitively with the issues surrounding disability that hon. Members have brought to his attention.

The Disability Rights Commission embodies four essential ingredients. It is a spur to cultural change; it is a source of central advice and information; it is a practical source of redress; and it is an empowering device. I believe that it will have a key role to play in a range of areas.

I believe that the extension of the 1995 Act in October of this year for service providers will give a major new impetus and an added edge to the type of work that the commission takes on board. I believe and hope that it will provide a major boost and support system to the many voluntary sector organisations that, together with the pressure groups, have been a lifeline to disabled people. Despite the new and welcome emphasis by the Government on working with them, we tend too often to take for granted the contribution of the voluntary sector in this respect. However, the voluntary sector, its volunteers and its organisations are often the backbone of civil society.

I have just returned from a visit to Russia, where the health of that nascent democracy is much debated locally. One of the most impellent gaps in Russian society today is the lack of that voluntarist tradition and that voluntary principle. We should never take them for granted. We should always be extremely pleased and proud of the voluntary work that is done in our country.

In my constituency, the Disability Services Organisation for Blackpool, Wyre and Fylde, of which I have the honour to be president, will welcome the umbrella opportunity that the Disability Rights Commission offers. It has several different initiatives, offering free independent advice and a volunteer service for disabled people with sensory and physical disabilities, jointly financed by Blackpool council, Blackpool social services and North West Lancashire health authority. It has achieved a great deal in buying and leasing scooters and wheelchairs, shop mobility, a dial-a-ride scheme and a disability information service. It has now obtained a £30,000 grant from the Millennium Commission to make and produce a disability awareness video for people in the north-west. All such organisations will benefit from the support and encouragement and the umbrella function of the Disability Rights Commission.

All those aspects tie in with the need to strengthen disabled people's rights, not by condescension or toleration, but by giving them their proper rights

in society. If I may be forgiven a historical reference, that has so often been the route that minorities have had to tread in our society—beginning with condescension, moving on to toleration and finally achieving full civil rights.

The new commission will need to be aware of, and especially sensitive to, the increasing involvement of disabled people in voluntary and statutory bodies—in school boards of governors, in health trust boards and in tribunals. However, along with that goes a responsibility on those bodies that welcome disabled people to give them the proper support and encouragement, and to anticipate the need for time off and the need for appliances with which to do their job properly. Disabled people should not have to go to them cap in hand. I hope that the new Disability Rights Commission will strengthen their voice in that respect. I believe that, with increased participation by disabled people in public bodies, in ministerial Departments and in local councils, the DRC will have a very important role to play in using its powers to be proactive.

I add my voice to those who have spoken about the excellent new publicity campaign—the "See the Person" campaign—because that is all about inclusion. I too, welcome the fact that businesses—especially small businesses, of which there are many in my constituency—will be involved in that process. It is important that businesses recognise that disabled people are about "what I can do, not what I can't do".

Often, unwitting and unthinking discrimination is a major element in the barriers to disabled people. It is the so-called "Does he"—or, for that matter, does she—"take sugar?" syndrome, of which I have some personal experience in my family through my mother, who is disabled.

The Disability Rights Commission has a very important role to play in encouraging and developing codes of practice. It has a particular opportunity at this time to encourage new administrative organisations—the regional development agencies, the new unitary authorities, the Scottish Parliament and the National Assembly for Wales, all of which start with a clean slate.

The DRC has a very important encouraging role. Tonight, I especially want to highlight the issue of tourism. I am very pleased that the Department for Culture, Media and Sport document "Tomorrow's Tourism", published earlier in the year, acknowledged the needs and concerns of disabled people. It recognised that an estimated 4 million disabled people in the United Kingdom want to take a holiday break but do not do so. Holidays and leisure breaks, to an extent which people who have no experience of disabled people and their carers often underestimate, can be a lifeline to those people, but often it is very difficult for them to take holidays.

I believe that the Disability Rights Commission will provide a welcoming context for initiatives that are already under way, such as the Holiday Care Service and Tourism for All. I hope that the commission will be able to encourage the industry and the providers to take on more disabled people in the tourism business and to welcome more holidaymakers into their establishments. I am delighted to say that many hoteliers in Blackpool—incidentally, in some of the smallest establishments—have already made good progress in that respect.

In the final analysis, the commission's power to help individuals with complaints under the 1995 Act is terribly important. There is an old Quaker adage that he who would do good must begin with doing it in minute particulars. In that respect, we must always remember that, although disabled people are individuals, whose struggle and sense of self-worth is very important to them as individuals, they also act as beacons—as champions—for others in that area.

I see the Disability Rights Commission as a milestone on that path, which was so nobly inaugurated by Alf Morris and Jack Ashley, who have rightly been paid tribute to today. There was once the saying, "Give us the tools and we will finish the job." Today, with the DRC, effective tools have been provided. I commend the priority that the Government have given to it. I commend also the enthusiasm with which it has been received by those on both sides of the House. I am delighted to support Third Reading.

6.30 pm

Mr. Edward Leigh (Gainsborough): In his introduction to the White Paper concerning the Bill—"Promoting disabled people's rights—Creating A Disability Rights Commission fit for the 21st Century"—the then responsible Minister, who is now the Minister for the Arts said:

> "We do not believe there should be any tension between the interests of disabled people and the interests of employers or of providers of goods and services; rather the contrary."

He added:

> A Disability Rights Commission . . . will be an agency of benign change."

Let us hope that the hon. Gentleman is right. I sincerely hope that the Bill will be an instrument of benign change. In the right hands, it can be. In the wrong ones, it could be an instrument of intrusive over-regulation that could work against the interests of disabled people.

I was thinking about the Minister for the Arts only yesterday when I was clearing out an old wardrobe that I had inherited. In it was a newspaper of 28 May 1979, from the early, heady days of the previous Conservative Government. There was a long article in it about the new head of the Conservative research department, one Mr. Alan Howarth. Let us hope that what is created today does not end up in the same way as a fading newspaper article in a dusty old wardrobe. I do not think that it will.

What we are about to pass into law is important. I do not want to be churlish. I accept that the Bill is a great victory for those who campaigned for it over many years. I took part in those debates in the middle part of the previous Parliament when the disability legislation of the Conservative Government was before us. I have no worries with what my right hon. Friend the Leader of the Opposition said on 24 November 1994, when he was the Minister for Social Security and Disabled People. He said that the then Conservative Government believed that it should be possible to enforce legislation without setting up an expensive bureaucracy to police it. That is my view.

We should be able to live in a society where disabled people feel that they have rights and that those rights can be enforced. Equally, I hope that we understand that creating an expensive bureaucracy and, in the words of my right hon. Friend the Leader of the Opposition, enforcing it can be extremely dangerous.

[Mr. Edward Leigh]

I thought that MENCAP put the matter very well in its contribution to the all-party disablement group's Second Reading briefing, when it said:

"There are men, women and children who have hitherto been awarded protection from discrimination in theory but who have been left without a supporting mechanism for redress of grievances in practice."

I agree with that statement. It is perhaps wrong for society to try to make itself feel comfortable by introducing legislation that it is impossible to enforce in practice. However, following the long debates that we have had over many years, I think that there is always a right time for doing things. Perhaps this is the right time for the Bill. However, as we pass it into law, I believe that we should consider carefully the representations that have been made to us by employer organisations, particularly by the CBI and particularly in relation to what it has to say about non-discrimination notices, as referred to in clause 4.

We have only to read clause 4 to realise that we are talking about a commission that potentially will be very powerful. The clause reads:

"If in the course of a formal investigation the Commission is satisfied that a person has committed or is committing an unlawful act, it may serve on him a notice (referred to in this Act as a non-discrimination notice) which . . . gives details of the unlawful act . . . and . . . requires him not to commit any further unlawful acts".

That is a great power.

I realise that those who speak in the debate have fought for many years for rights for the disabled. Why should they be primarily concerned about burdens on business? My only plea is that we ensure that we have a balanced debate, and that what the CBI has said about the potentially huge powers contained in the Bill is taken to heart by the Government. I hope that they are prepared, willing and undertaking to act in the benign way that the hon. Member for Newport, East (Mr. Howarth) was talking about when he introduced the White Paper.

I agree that we must move from an era where disabled people had no rights. Indeed, they were heavily discriminated against. We must move from an era in which there is perhaps an element of condescension. We must then move on to an era where we do not talk constantly, as we often do in the social security world, of benefits for disabled people. Instead, we must move them into the world of work.

The Bill, if it is used in the right way, can be a benign measure for moving disabled people out of a ghetto, or the ghetto, into the world of work. However, if the commission is placed in the wrong hands, it could do a great deal of harm. I note that the majority of the commissioners will be disabled people. They will have to take a broad-minded attitude. They will have powers that they have not been enjoyed before. They are no longer a lobby outside knocking on the door. They are now inside the establishment, and they will be wielding great powers. I very much hope that, as we pass the Bill into law, they will feel that it is their duty to act in a balanced way in the interests of society as a whole, including the interests of disabled people and those who wish to provide jobs for them.

6.37 pm

Mr. Tom Levitt (High Peak): I think that I am the only Back-Bench Member who has sat through, and spoken on, every stage of the Bill's passage through the House. I am delighted that we have reached where we are today.

On various occasions, I have said to Conservative Members, "Remind me, why was it that you voted against similar measures time after time years ago?" Until the past few minutes, they could not remember. The hon. Member for Gainsborough (Mr. Leigh) obviously has stronger memories than other Conservative Members. I do not mean this unkindly, but the warmth that has emanated from repenting sinners has given great joy to Labour Members. I thank them for the contributions that they have made to our debates during the various stages of the Bill.

I say in response to the remarks of the hon. Member for Gainsborough that the Bill is a milestone and not a millstone. It is a step forwards, not a step backwards.

I shall make only two points, and the first concerns the awareness—for example, of employers and service providers—of the needs of disabled people. The present campaign is a stimulating one. It produces smiles and, perhaps, controversy but it gets people thinking, which is important. That is a role that the Disability Rights Commission will have to take on in future. In terms of awareness raising, it will be looking to good practice and disseminating it.

At the launch of the campaign—it is a good example to put on record—there was a contribution from B and Q. It spoke of its employment practices, which encourage disabled people to apply for and to be accepted as employees. It told of the disability awareness training that it gives to its non-disabled and disabled staff within its stores. It told of the expectation that its suppliers would have an equally positive attitude to disabled people. Tellingly, it told of the Norwich store which has specialised in making kitchen fittings for people in wheelchairs. It has discovered a gold mine, because disabled people have commercial needs. They go out and buy things, and a service provider who meets their needs will reap the benefits from that. There is a commercial argument for organisations including those 8 million people in their marketing plans, which will be a relief to the hon. Member for Gainsborough, who expressed doubts.

I shall tell the story of a receptionist in a local authority office close to where I live. He is blind, but he welcomes people to that office, functions very well as a receptionist and telephonist and is not disabled because the facilities are present to give him all the abilities that he needs to carry out that vital job and exceed the reasonable expectations that could be demanded of him.

I have told that story to make the point that the barriers that prevent disabled people from playing a full, positive and constructive role in society have been erected by us—not only the politicians, but able-bodied people, service providers, employers and anyone else who does not think about the consequences of their words, deeds and actions for disabled people. We can take those barriers down. We can give disabled people the emancipation that they deserve and that it is their right to have.

The Disability Rights Commission and the awareness-raising activities associated with it are steps along the way but, however good today is—it is a wonderful occasion—it is only another step along a long road, the end of which we still have to reach.

6.42 pm

Mr. Peter Luff (Mid-Worcestershire): The eerie light of consensus has illuminated the debate, although that did not characterise the debates in the previous Parliament, during which I frequently expressed exactly the same objectives as the hon. Member for Kingswood (Mr. Berry), but sought rather different mechanisms to secure them. We could never have foreseen that those loud and noisy discussions would end in such a way as they did today—not with a bang, but with a whimper, which is good. Disability issues should not be the subject of the fierce partisan battles that took place in the previous Parliament.

I congratulate the Minister on his opening remarks; he struck the right note, although there were hints of a return to partisan comments from other hon. Members. It is no doubt true that the Bill would probably not have been introduced by the previous Conservative Government—we can say that with a reasonable degree of certainty—but I am not so sure that that could be said of a Government led by my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), the Leader of the Opposition. He is committed to the measure. *[Interruption.]* If the hon. Member for Kingswood ever has the good fortune to serve in a Government, he will sometimes find himself at the Dispatch Box saying things with which he does not entirely agree. Such is the nature of collective responsibility.

It is worth putting on record the fact that the previous Government did a considerable amount on disability issues. When Baroness Thatcher was Prime Minister, she attached great importance to the welfare spending issues related to disability. Contrary to the myth the she constantly slashed expenditure, she trebled spending on benefits for the long-term sick and disabled; and her successor, my right hon. Friend the Member for Huntingdon (Mr. Major), continued the process.

We also introduced the Disability Discrimination Act 1995, which the chairman of the National Disability Council has described as a good Act, although I agree that David Grayson, who is a good friend of mine, wants that Act to be toughened. Indeed, the Bill does just that, but those were real and substantial achievements for disabled people which I hope the whole House would welcome. I rather resent the note that has been struck by some Labour Members, who have said that nothing happened for disabled people in the previous Parliament. A considerable amount happened.

Mr. Oliver Heald (North-East Hertfordshire): Disability living allowance.

Mr. Luff: From a sedentary position on the Front Bench, my hon. Friend reminds me about DLA. He is absolutely right to do so.

How do I approach this Third Reading debate? With mixed feelings—all my doubts remain about establishing a body with the powers that the commission could have, but the disability rights lobby still wants a commission to be established. The mood in the House is clearly in favour of a commission, so this is the time to lie back and accept the inevitable. I can do so with a clear conscience because I am encouraged by what Ministers have said about how they expect the commission to use the powers being given to it.

It is right to emphasise our hope that the commission will use those powers in the way that Ministers hope it will use them. As my hon. Friend the Member for Gainsborough (Mr. Leigh) said, clause 4—and, indeed, clause 5—contains considerable powers and they could harm the cause that the commission has been set up to help if they are used insensitively.

The Liberal spokesman talked about the omissions from the Bill, and I hope that the commission will consider not only employment matters, but issues of democracy. The House is still inaccessible to disabled people and that is one of the things that we should put right as a matter of the utmost urgency. In my previous incarnation in the House, my constituency contained New college, which is run by the Royal National Institute for the Blind in Worcester. Issues relating to blind and visually impaired people are at the forefront of my thinking and I hope that the commission will do what it can to improve voting forms.

I will put pressure on the Government to make it easier for disabled people to exercise their most fundamental right of all—the right to vote—and for people who are disabled but do not have visual disabilities to gain access to polling stations, which is often scandalously difficult to achieve. There are many issues for the commission to address that relate, directly or indirectly, to the way we carry out our business. I hope that it will do so with enthusiasm.

On a slightly partisan note, I hope that the commission will not be frightened of taking on the Government over their allowance for county social service departments. Despite all the good words that we have heard today about the great achievements of the Government, disabled people and their carers—in Worcestershire in particular—face serious problems because of the scandalously low funding increase offered by the Government. I hope that the commission will speak out on that, too.

Although I can give the establishment of the commission a rather less guarded welcome that might otherwise have been the case, I want to strike a note of dissent from everything that has been said about the Government's hearts and minds campaign. Ultimately, the fundamental point is that no Act of Parliament can ever change the way people behave. The real discrimination lies in people's hearts, and that is what must be tackled.

I have no objection to a hearts and minds campaign, but this is a bad one. When I first saw the poster about Kathy, outside Worcester Shrub Hill station, I thought that it was either advertising a sequel to a programme on homelessness or trying to attract people to a teacher training campaign. I could not work out what the poster was about and realised what it was advertising only today, when hon. Members referred to its subtext. I hope that the commission will do a much better job of winning the hearts and minds of the British people than the Department for Education and Employment is managing at present.

None the less, this is a momentous occasion. We have put to rest one of the great, contentious issues that has divided the House over the years, and done so in a

[Mr. Luff]

constructive way. The Minister rightly paid tribute to a number of individuals and, although I have crossed swords with him on a number of occasions, I emphasise my personal congratulations to the hon. Member for Kingswood, who has played an extraordinary part and driven this issue through the House. He, together with all the other people to whom we have paid tribute today, deserves a share of credit for what he has done. I hope that his best hopes are achieved and my worst fears are never realised.

6.49 pm

Mr. Harry Barnes (North-East Derbyshire): I hope that it goes without saying that the House would expect me to support this measure and to believe that this is an important day to celebrate. It is a stage on the road to the objective of full civil rights for disabled people and it is, therefore, strongly to be welcomed.

The Liberal Democrat spokesman, the hon. Member for Winchester (Mr. Oaten), attacked the yah-boo approach to this subject that has prevailed in the past. Although I accept that a lot of yah-boo politics and trivial point scoring take place in the Commons, I am in favour of a strong debate taking place, particularly on this subject. Had we not had as much outside campaigning and as many arguments from the previous Government about this issue, as well as a distinction between the principles involved, we would not have reached this point. Had the measure been sorted out by men and women of good will sitting around a table, we would not have achieved this sort of legislation and would not have tested out each others' ideas in quite the same way.

The strength of the ideas expressed by Labour Members, with the support of the Liberal Democrats, prevailed after the tussle with those who had other ideas. I was pleased that the hon. Member for Gainsborough (Mr. Leigh) spoke, because I remember some of the tussles with him. The views that he expressed today showed that, fundamentally, he still has the same attitude. It is important to have that honourable dispute in developing different positions.

When I introduced my version of the Civil Rights (Disabled Persons) Bill, which was a private Member's Bill, the hon. Member for Gainsborough spoke against it because he was worried about intrusive regulation. He now hopes that the operation of the changes will be benign, but in the past he expressed great fears that legislation of this type would not be benign. I remember pointing out that his arguments were against the Disability Discrimination Bill, which was going through the House at the same time. To judge by the look that he gave and his response on that occasion, and despite the fact that he was using the Disability Discrimination Bill to argue against the measure that I was proposing, he recognised that that was what motivated him.

We all benefit from such argument. John Stuart Mill once said, perhaps in a slightly sexist way, that he who knows only his own side of the argument knows little. Our argument was certainly developed considerably as a result of coming into conflict with the views of people with differing attitudes. One person who had a strongly differing attitude on this matter was the Leader of the Opposition. In the period to which I refer, two Bills were in competition with each other: the Disability Discrimination Bill and the Civil Rights (Disabled Persons) Bill. I am convinced that we would not have secured the Disability Discrimination Act 1995 if, the preceding year, the Bill proposed by my hon. Friend the Member for Kingswood (Mr. Berry) had not been scuppered with a great deal of blood and heated yah-boo on the Floor of the House.

I then picked up the baton and ran my hon. Friend's measure. The techniques that were used against my Bill were different from those that had been used against his. It was a rival measure, while the blocking of the Civil Rights (Disabled Persons) Bill took place essentially in Committee with attempts to stop it getting back to the Floor of the House. The person who carried out those opposition techniques almost single handedly in Committee was the Leader of the Opposition.

Having talked to a Conservative Member who is now a Labour Member, the Minister for the Arts, my hon. Friend the Member for Newport, East (Mr. Howarth), I found out which Conservative Members to ask to join us. Most Conservatives and others sat on my side of the Committee and the Leader of the Opposition was often almost alone in battling for his position. He had to engage in all the filibustering on the amendments and would agree to the Bill's coming out of Committee only when nothing could be done with it. We had only 32 minutes on the Floor of the House in which to take about 108 amendments. The Leader of the Opposition gained promotion partly as a result of the role that he played in scuppering civil rights for disabled people.

I was pleased to hear the Minister say on Second Reading that civil rights for disabled people are on the agenda in the future and that we are moving in that direction. I welcome the fact that in the debate on the Queen's Speech the Leader of the Opposition immediately expressed support for the measure before us today. That, however, is a significant change and it comes about as a result of the nature of politics in this country. Those politics sometimes take place on the Floor of the House in the form of strong debate and dialectic argument, which help to produce the situation in which we find ourselves today. I am therefore keen that that sort of yah-boo should continue to take place. There was a sign of it in coded language in the speech of the hon. Member for Gainsborough.

Although we have had an interesting discussion on this Bill, it has been a little too cosy. One often needs arguments to be propounded that challenge one's own ideas, so that those can be improved. The ideas in the Bill have been challenged so much in the past that they are sufficiently well shaped and we did not need the disputes that we have had in the past. I welcome the fact that we have reached this stage and, like all good campaigners, I look forward to the next one.

6.57 pm

Mr. Andrew Smith: By leave of the House, I shall respond as briefly as possible to some of the points made in the debate.

First, may I welcome again the positive and generally constructive spirit that has prevailed? The hon. Member

for Daventry (Mr. Boswell) asked about resources. We are satisfied that the commission will be adequately resourced. We have looked at the experience of the Equal Opportunities Commission and the Commission for Racial Equality. The hon. Member for Winchester (Mr. Oaten) said that we needed to monitor the resourcing. It will be monitored and kept under review. It is generally accepted, however, that the £3 million start-up cost and the £11 million annual budget that we have provided for should be adequate.

The hon. Member for Daventry also said that we should be careful to ensure that the big stick was used only where necessary, and the hon. Member for Mid-Worcestershire (Mr. Luff) made comments in a similar vein. Although the statutory enforcement powers in the Bill are a last resort, it is necessary to have them to ensure that the law is complied with. The Bill is about ensuring that disabled people have rights not only in theory but in practice.

Obviously, we expect this legislation and the proceedings of the commission to work in a business-friendly way. Equally, we expect business to work in a disabled-friendly way. That is part of the general shift in culture to which a number of hon. Members referred.

I echo what the hon. Member for Daventry said about the importance, when it comes to litigation, of bearing in mind the circumstances of the parties likely to be involved. In terms of proceedings on investigations by the Disability Rights Commission, there will be a requirement, where appropriate, to have timetabling of those proceedings, which will offer a safeguard against the delays which the hon. Gentleman rightly said would be unacceptable.

I thank my hon. Friend the Member for Kingswood (Mr. Berry) very much for his kind remarks and for those of the all-party disablement group. As others have said, if my hon. Friend had not promoted his Bill in the previous Parliament, followed in similar vein by my hon. Friend the Member for North-East Derbyshire (Mr. Barnes), we would not be here today establishing the Disability Rights Commission. They deserve tributes, together with Alf Morris, Jack Ashley and others.

The hon. Member for Winchester asked whether written agreements would be made public. As is evident from my answer on Second Reading, I share his instinct for openness, but we have seen how that could be counter-productive. There is no statutory requirement for a public register of agreements or for written agreements to be kept private. It will be for the DRC and the organisation concerned to discuss when reaching the agreement whether it should be made public and under what circumstances. That is only common sense, because we do not want an organisation to refuse to enter into an agreement that would be in the interests of disabled people because it would be made public.

The hon. Gentleman also referred to anticipated discrimination. It will be open to the commission to make recommendations for further legislative enhancements of the rights of disabled people or their enforcement. That covers the circumstances that he referred to.

The hon. Member for Gainsborough (Mr. Leigh) hoped that we would not think him churlish in expressing caution and an incomplete conversion to the Bill. I hope that I do not sound churlish when I say that he sounded churlish, but as my hon. Friend the Member for North-East Derbyshire pointed out, it does no harm for such matters to be tested in debate. Out of the fire of the debate in the previous Parliament we have tempered a sensible proposal for the commission. The hon. Gentleman may have been unhelpful to his present leader by reminding the House of his previous position on the issue. However, we welcome all converts to the Bill, whatever their attitude before.

My hon. Friend the Member for High Peak (Mr. Levitt) made a good point about awareness, which answered some of the reservations of the hon. Members for Gainsborough and for Mid-Worcestershire. The B and Q example shows that with a thoroughgoing approach to disabled people's rights an employer can not only recruit the best employee for the job, but offer the best service to the whole range of customers. There is a commercial imperative as well as a moral one behind rights for disabled people. By working with employers, the commission will be helping the business case for equality as well as the ethical and moral case.

I hope that the Bill will gain a Third Reading with the unanimous support of the House. We should remember that the commission is not the end, but a very important means to the end. As my hon. Friend the Member for Blackpool, South (Mr. Marsden) said, it will be a spur to cultural change and an empowering device as well as a source of advice and a means of redress. The practical benefits in the lives of disabled people and all of us that will result from the establishment of the commission will be its real achievement. We shall all benefit from the cultural change and empowerment of which the commission is an instrument.

The unanimity and enthusiasm in the House for the establishment of the commission is great to see. As well as all that it will be able to achieve through consensus and discussion, we should bear in mind the fact that the commission will sometimes have to take tough and perhaps controversial decisions. I hope that it enjoys the same consensus and enthusiasm when it has to do that, because that will be the test of making a reality of disabled people's rights.

Given the extent of support in Parliament and among the public as the Bill moves to a Third Reading, the commission will get off to a good start. It is a milestone in advancing disabled people's rights. It is time to move past that milestone towards a better future in the lives of disabled people and us all.

Question put and agreed to.

Bill accordingly read the Third time, and passed, with amendments.

FINANCE BILL

Ordered,

That, notwithstanding the practice of the House as to the intervals between stages of Bills brought in upon Ways and Means Resolutions, more than one stage of the Finance Bill may be taken at any sitting of the House.—*[Mr. Dowd.]*

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

CUSTOMS AND EXCISE

That the Excise Duties (Personal Reliefs) (Amendment) Order 1999 (S.I., 1999, No. 1617), dated 10th June 1999, a copy of which was laid before this House on 11th June, be approved.—*[Mr. Dowd.]*

Question agreed to.

Bereavement Care

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Dowd.]*

7.6 pm

Mrs. Virginia Bottomley (South-West Surrey): I am privileged to have the opportunity to address the House on an intensely important matter that is rarely discussed on the Floor of the House and is almost as widely ignored among the vast majority of people. The subject is bereavement.

The few speeches and debates about death usually fall into one of two categories: how to stop it and how to make up for the lost wages. We can never prevent death. As Benjamin Franklin, the leading US political philosopher and inventor of the lightning conductor, said 200 years ago,

"in this world nothing can be said to be certain, except death and taxes."

Whereas in Victorian times there was much discussion and debate about death, but sex was taboo, in our generation, there is much debate and discussion about sex, but the question of death has become taboo. Debates about how we can prevent death are numerous. Of the 220 all-party groups in the House of Commons, around one in five concern health or health-related matters. In last week's debate about widows pensions, we talked about making up for lost wages and the upgrades to provide for widows, but no mention was made of the emotional difficulties of bereavement counselling.

For many years, I was vice-chairman and am now vice-patron of what is now the Carers National Association, which came into being to provide support and recognition for carers. For those who have been caring for an elderly relative, the experience of bereavement and being left on their own and isolated after the death of their loved one causes at least as much difficulty.

There have also been debates about the regulation of the funeral industry. There has been a welcome for the expansion of the voluntary funeral ombudsman service. Around 21,000 people are involved in the funeral industry. They require greater recognition, more training and more respect in the community. The National Association of Funeral Directors has introduced excellent initiatives on that, but people still tend to be bashful about saying that they are an undertaker and they are not regarded as being as important to the community as midwives.

Inevitably, death is usually seen as intensely personal, or too frightening to discuss and accept for what it is. When discussing the television film about the man who had his own process of death filmed, Lord Winston—who, appropriately, is a professor of fertility studies at Hammersmith university—recently said:

"We live in a society which hides death because it is beyond our control and, partly in consequence, we are terrified of it. In hiding death, we make it a taboo."

There have been other interesting accounts, such as Virginia Ironside's book "You'll Get Over It: the Rage of Bereavement", in which she describes how, before her father died, she thought that she knew a little bit about bereavement:

"In my job as an agony aunt I would blithely send out leaflets to bereaved people full of kindly, sympathetic advice, telling them about stages of grief."

Colin Murray Parkes is a president of Cruse, and his academic work and practice have helped us understand more about the process of bereavement, and made an enormously important contribution.

Virginia Ironside said that when her father died

"nothing made sense. Perhaps he was resting in peace".

and that grief

"was only a minuscule part of the process . . . with other shameful feelings of rage, greed, loathing, hatred for life; physical feelings of lethargy, shooting pains in my legs, a permanent ache in my neck, and a new, embarrassing interest in religion and the afterlife. And there was relief. He had been a loving but emotionally and intellectually dominating figure. Now he was gone I could breathe. And yet how can anyone breathe when consumed by the fury of loss?"

That is an open account, but typical of the experiences that people have when, without previous thought, preparation or consideration, they find themselves in the turmoil of bereavement. That contrasts starkly with the process of childbirth, for which there are preparation for parenthood classes, the National Childbirth Trust, support from health visitors and so on. People understand that childbirth is a life stage with implications both for themselves and for their immediate families.

However, there is little to help prepare grieving relatives, work colleagues and associates for death. Fortunately, in 1959, Cruse was founded by Margaret Torrie, OBE, who was concerned about the isolation and poverty of young widows and their children. She established the first group, in the Richmond area, and supported many young widows and helped them to find ways of surviving emotionally and financially.

As a result of the publicity, other Cruse groups were formed around the original group, offering support not only for widows, but for others affected by death, including children, and people of all ethnic and religious backgrounds. Today, for example, three out of 10 of those who seek assistance from Cruse are widows, one in eight are widowers, one in three have lost a parent, and one in 10 have lost a child. The picture of bereavement moves on.

I used to support Cruse when I was a Minister at the Department of Health. I was also approached by Cruse in my constituency to speak at a fundraising concert in Guildford cathedral. In the light of my on-going interest in the activities of Cruse, I am pleased to say that it has asked me to be a patron, so I should declare that interest to the House.

Now, under the leadership of its executive director, Dr. Carole Easton, Cruse is still based in the Richmond area and after 40 years, it is busy preparing itself for the challenges of the next generation and the next century. There are now 188 branches throughout the United Kingdom, and I am pleased that it is acknowledged by the Home Office as a lead voluntary organisation for dealing with major disasters in the United Kingdom.

Cruse has certainly gained the respect of many in the medical profession, and 45 per cent. of its clients are now referred by their general practitioners or other health professionals. At this moment, the General Medical Council and others are discussing, with the all-party group on primary care, the nature of GP training. Before I left the meeting early, I said that one of the important steps in the training of GPs, and all medical professionals, should be how to handle death. It is a difficult and sensitive subject for the professionals involved as much as for bereaved families.

The challenge now is to ensure that everyone in the United Kingdom knows about Cruse. People need to know that there is a place where they can get help in dealing with the complex and intense emotions associated with death. They need not only support and comfort, but practical advice. The complexities of death—such as the forms to be filled in and the process of organising a funeral service—do not come routinely, and are not widely understood.

It is not only bereaved people who need to know about Cruse. Employers, health care providers, ministers of religion, educators and family and friends all need to know that the best support that they can give someone struggling with a loss is to lead them to someone else—someone who has been trained to deal with bereavement.

The services that Cruse offers are varied. Each bereavement is different. There is no one way to help someone to cope with a loss. The different branches across the country are flexible. The focus is on counselling, but they also act as a source of practical information and practical assistance. Some clients are seen in their own homes; others attend the centres; some choose to talk on the telephone.

At the latest count, there were 154 social groups, 165 specialised groups, including groups for the recently bereaved, and 60 drop-in centres. Last year, they provided face-to-face counselling for more than 21,000 clients, counselled 5,500 clients over the telephone and received 110,000 requests for information about their services and about surviving a loss.

Each year in this country, about half a million people die, and only a fraction of the bereaved look for specialist support and help. However, investing in caring for those people at the time can often lead to safeguards for the future, better functioning and a less prolonged mourning period.

There has been an increase in the more traumatic forms of death. Anyone who has acted as a Minister with responsibility for roads will have met many parents of young people who have been killed in traffic accidents. Sudden death is often all the more distressing—not only from traumatic causes such as a road accident, a murder or a heart attack; any form of death that has taken the family unawares can leave people feeling confused, angry and needing help.

Perhaps the most worrying aspect of the loss of life for this generation is the growing number of people who take their own lives. More young men now take their lives through suicide than are killed on the roads. When people take their own lives, the effect on parents, grandparents, siblings and friends is all the more distressing and traumatic. There is associated guilt, anger, perplexity and sadness, and people often need expert help and support to talk that through. Cruse has created specialised groups to provide care for those who have lost loved ones from a range of particular causes.

The population is ageing; that is well understood—but it leads to a need to change the services designed to help people who are bereaved. Old people are more likely to have to deal with death alone when a spouse, child or friend dies. They are more often left isolated, with nowhere to turn and no one to turn to. More than 30 per cent. of those who seek assistance from Cruse are over 60.

Cruse has been able to establish itself as a link between the elderly and bereavement care. With the advances in modern medicine, it is crucial that Cruse maintains its

[Mrs. Virginia Bottomley]

connection with elderly people. People who live longer will see more other people die. Elderly women, especially, are at risk, because their life spans continue to exceed those of their spouses—and in many cases, those of their children.

We in this country pioneered the development of hospices: a concept that is now respected around the world. The hospice movement has effectively removed the physical pain of death and dying, but that still leaves a huge gap in emotional and practical support, for which we must provide better services. There are complexities involved if people are bereaved when they are homeless or in prison. The growing number of divorces has led to more complex and ambivalent feelings. When someone dies who was long since divorced, the experience can bring back many old sensitivities and hurt feelings.

Cruse works through a remarkable army of 6,500 volunteers giving from two to 10 hours a week of their time. They certainly deserve our gratitude. Many know how hard it is to offer condolences to a friend or colleague who has experienced a loss. Cruse's commendable volunteers give their time to help those who need a kind word, a shoulder to cry on or an attentive ear.

In this generation, there is a need to refocus on the importance of that gift relationship and the role of volunteering. I hope that more people will feel that becoming a Cruse volunteer is a constructive way of investing back in the emotional and social fabric of their community. In my constituency, Cruse operates the Guildford and Waverley branch, based in Godalming. I want to express my profound appreciation, on behalf of the local community, for the effective and professional support that it offers my constituents.

Cruse's plans for the future will succeed as long as the Government are able to give their support, encouragement and authority and help it to overcome the complex labyrinth of funding mechanisms, grants and available resources. As it moves to the next decade, Cruse is planning improvements to make it even better able to provide help to the bereaved. Its development plan proposes that it further diversifies the services that it offers, giving more support, information and advice.

Branches need back-up and professionalism. Today's public are discriminating consumers of services and demand a professionalism that may not have been so essential in years gone by. Management of the branches will be restructured so that the volunteers can concentrate on delivering the services and receive better support and back-up from headquarters. All the change is being led by the executive director, Dr. Carole Easton. She is undertaking a major consultation exercise with the branches to prepare the organisation for the next century.

The key millennium project that Cruse wants to undertake is to develop a national Cruse helpline: a telephone number that anyone anywhere in the country can ring to get advice, support and encouragement. It wants to establish a centrally answered telephone service that is readily accessible to anyone, including deaf people and non-English speakers.

Inevitably, like almost every not-for-profit organisation, a crucial and central preoccupation for Cruse is how it can secure the funding to maintain its services. To offer increased services, volunteer training and numbers need to be increased. Cruse needs funding to allow it to recruit, train and support effectively volunteers of all ages and ethnic backgrounds.

Last year, Cruse helped 110,000 people at an average cost of only £23. It has done remarkable things with the little money that it has. It can continue to do that, but it needs and deserves increased income. Its current income is simply not sufficient to allow it to expand its services to the extent of its potential.

The question is how we can help Cruse to provide the best possible support. Almost everyone who has had experience of Cruse wishes that more people knew about its services. If it is to raise its profile and expand its services it needs to expand its budget.

I want in fairness to acknowledge the funding that the Government have provided. This year, Cruse was granted £60,000 a year for three years for a quality care-in-bereavement project. Last year, it was granted £40,000 a year for three years as part of the regional support network project. In 1997, it was granted £150,000 over three years as part of that project and in the same year it received £97,000 over three years for an equal opportunities officer project. Time and again, Cruse receives a packet of money for a specific project, which is welcome in itself but does not solve the underlying problem of core funding to support its headquarters and the services that it provides every day.

I am delighted to report, as an echo of days gone by, the number of lottery awards that Cruse has received. There was a phase in my life when every question that I had to answer involved how many lottery awards had been made available for a project. Cruse has received 29 National Lottery Charities Board awards, totalling £837,000, ranging from £120,000 for a training and development programme to £736 towards the start-up costs of a group in east Sunderland.

I hope that the Minister will be able to help Cruse to access more substantial sources of funding. There are several initiatives under way that may offer Cruse an opportunity. "Our Healthier Nation" identified mental health as an area in which the Government want the national health service to make more progress in preventing ill health. Is it possible to consider some of the mental health sources of funding?

In exploring resources locally, Cruse branches have found that they get sent from the primary care group back to the mental health trust and on to the health authority or social services. Are there any guidelines to make it clear which was likely to be the primary source of funding for a project as evidently worthwhile as Cruse?

Savings can be made in long-term mental health services and people will be able to invest in other aspects of education and employment if they can overcome the mourning process more swiftly, so supporting Cruse provides excellent value for money in the true sense of the phrase. In a study published in the *European Journal of Palliative Care*, Marilyn Relf argues that support from volunteers leads to bereaved people using their GPs and medical services less. Any way of saving the NHS money is welcome.

I hope that the Minister will appreciate that it is of the utmost importance to assist Cruse to meet its funding challenges. Many elderly people have mobility problems, so it needs to expand its capacity for home visits. Above all, there is the national Cruse helpline, which will need core funding and assistance.

There is a difficulty that is becoming progressively more evident. I suspect that the Minister is already aware of it. I spoke this morning to Marjorie Wallace of Saneline who, like the supporters of Childline and the Samaritans, believes that the establishment of NHS Direct has led to a strangulation of funding for the other national helplines.

I appreciate the difficulty of Ministers funding all their pet projects, but if £14 million goes to NHS Direct while all the existing, highly professional and valued helplines wither, it will be seen to be an error of priorities.

NHS Direct will undoubtedly take calls from those for whom bereavement, mental health or children's difficulties are the primary concern. I believe that NHS Direct will need and benefit from the experience and specialised expertise of those professional national helplines. Therefore, I very much hope that the Minister will be able to re-examine that particular difficulty.

The deeply moving funeral of the late Cardinal Hume was held only last Friday. Not very long ago, the nation suffered an enormous outburst of grief at the death of the late Diana, Princess of Wales. The emotion surrounding those two events—perhaps like the effect in "Four Weddings and a Funeral" of the reading of W. H. Auden's poem—are modern examples of occasions on which attention has been focused on death and bereavement. Nevertheless, the subject is all too rarely debated in the House.

I believe that the Minister could raise the subject's profile, and increase not only the acceptability of seeking specialist help, but the availability of help in dealing with a specific crisis in family life. The Government's communication skills exceed all others, and I hope that the Minister will be able to help to identify Cruse as an organisation for which the Government have special regard.

I have some specific questions. First, how can the Minister help Cruse to raise its profile, to ensure that people know about it without having to struggle to discover it? Secondly, has he visited the Cruse branch in his constituency or in any other constituency? Thirdly, what research is being done on bereavement care? Fourthly, what can the Government do to help Cruse to keep functioning for another 40 years? Fifthly, will there be more joined-up funding for Cruse from various Departments? Although I realise that it is not easy to have responsibility for millennium volunteers, lottery awards and health funding, we really should have a map and a navigator on the bereavement issue. Sixthly, how will the Government help Cruse to celebrate its 40 years of service? It is certainly hoped that the Minister will attend the party that Cruse hopes to hold for hon. Members—on 20 October, on the Terrace—not only to celebrate its success, but to discuss its plans for the future.

Above all, in thanking the Minister for being here to reply to the debate and in welcoming the workings of the House, which enable us to continue this debate until 10 o'clock—I do not want to cut short the hon. Gentleman's remarks in any way—I ask him to join me in congratulating Cruse on 40 years of service and in commending its staff and volunteers for all their hard work and dedication to helping others.

7.33 pm

The Parliamentary Under-Secretary of State for Health (Mr. John Hutton): I warmly congratulate the right hon. Member for South-West Surrey (Mrs. Bottomley) on raising the subject of bereavement and drawing the House's attention to the outstanding service that Cruse provides. I should also like to congratulate her on her recent appointment as a patron of Cruse. The House will be very well aware of her long-standing interest in mental health issues.

The right hon. Lady has asked me some specific questions, and I certainly want to answer them in my speech. However, she started her speech by saying that bereavement is a taboo subject, and she was right about that. Nevertheless, bereavement is something that we shall all experience.

Bereavement might be coupled with feelings of guilt—to which the right hon. Lady referred—particularly if an elderly relative has died in residential care, for example. There may be difficulties for working-age adults, when a partner is left behind, not only in coping with their loss, but also perhaps with a young family. There may be trauma for younger children facing the death of a parent, or for parents facing the loss of their child.

Our concern should extend beyond the effects of bereavement on family and friends. The attitudes of staff in the national health service and in various agencies are very important in helping families or loved ones to begin to come to terms with their sense of loss. It is therefore very important that staff working in both the NHS and social services are sensitive to the needs of the families of their patients. However, it is also important that they do not "medicalise" normal grief reactions.

The care offered need not be specialist help: much of it is common sense. Staff need to keep relatives up to date about the condition of a critically ill family member, and support them when told of his or her death. People need practical information, such as guidance on necessary post-mortem procedures, on contacting funeral directors—to which the right hon. Lady referred—or on notifying friends or relatives of the death.

The right hon. Lady rightly mentioned some of the wider issues in death and bereavement, not the least of which is the economic cost to the nation of bereavement, which some estimates place as high as £800 million annually.

The right hon. Lady also rightly spoke extensively about the work of Cruse. I associate myself and all my colleagues in the Government with the very warm words of praise that she expressed about the work of Cruse, which is the major organisation in bereavement counselling. The healing process following a bereavement can take a very long time, and the bereavement counselling done by Cruse can play a big part in that process.

In opening its doors to all bereaved people, Cruse bereavement care offers a free and confidential service to all those who need it. The trauma following bereavement can affect all ages and, without sensitive care, can often lead to other problems. I pay tribute, as the right hon. Lady did, to Cruse's work.

I have already mentioned young people coming face to face with death. Ensuring the mental health of children and adolescents is a matter of key importance for us all and is among the Government's national priorities for both health and social services in the next three years. It is an important issue, as mental health problems in young people not only hinder their own life opportunities but create distress for their families, obstacles for teachers, and tensions in the wider community. We are therefore

[Mr. John Hutton]

dedicating new resources—£84 million in the next three years—to supporting the development of effective child and adolescent mental health services.

Cruse is certainly to be congratulated on the introduction, in March 1998, of a new national "Youth Line" service to help bereaved children and young people to come to terms with their loss. The telephone helpline gives young people the opportunity to talk to a trained counsellor about their loss, to explain in confidence the particular difficulties they are facing, and to receive advice on how to cope.

Much can be achieved in promoting the mental health of young people by helping them to cope with major life events and experiences, such as bereavement and parental discord and divorce. The death of a parent is a particularly well-recognised risk factor in the development of emotional and behavioural problems. In such times of distress, young people may welcome the opportunity to talk things over with someone outside the family circle who is knowledgeable, sympathetic and easy to approach. Voluntary groups have traditionally played a very significant role in providing information, advice and counselling in an informal and user-friendly way. Cruse is already providing precisely that type of service.

The Government recognise the vital role that Cruse plays in offering a free nationwide service—to a consistently high standard—of counselling, information and social support to anyone who has been bereaved. It also offers training, support, information and publications to those who work in caring for bereaved people, and increases public awareness of the needs of the bereaved through education and information services. That is why we have supported Cruse with section 64 grants for several years. For example, we gave Cruse core finding for five years, until last year, amounting to over £500,000, and are providing grants for four of its projects, some of which were mentioned by the right hon. Lady.

The first project is development of a regional support network, which aims to develop and maintain Cruse's network of local branches by developing the role of its regional officers. The officers provide support and training for Cruse volunteers and help to maintain quality standards and monitor all aspects of work of local Cruse branches. Funding for the project is £50,000 per annum for three years, which started in 1997.

The second project, on the development of regional support for bereaved people and Cruse volunteers, aims to provide support in training and management for Cruse volunteers in central and northern England, to ensure proper communication between their headquarters and support groups and to develop and maintain a Cruse branch network in those areas. The project also helps develop new branches of Cruse in those areas. We are funding this project for three years from 1998–99 with £40,000 for each year.

In addition to that support, we are helping the equal opportunities officer project, which seeks to promote good and consistent equal opportunities practice among Cruse branches. The project grew out of a recognition that Cruse needed to broaden accessibility to the services that it provides to clients and potential volunteers from all sectors of the community. We gave this project £35,000 in 1997–98, £32,000 in 1998–99 and £35,000 in this financial year.

Finally, the quality care in bereavement project is designed to ensure that all clients of Cruse receive the best possible care, support and information. The project defines what is essential for quality care and ensures that the mechanisms to deliver it are in place. The Department began funding this project this year and will continue to do so until 2001–02, with £60,000 for each year.

In answer to a question from the right hon. Lady, let me say that the Department is not funding any specific research into bereavement care at present. However, I should be happy to discuss with Cruse representatives any ideas that they might have in that regard.

In total, our financial help for Cruse this year amounts to nearly £200,000. That is an indication of how well we regard the organisation and how strongly we support its aims. As the right hon. Member for South-West Surrey knows, I have already arranged to meet Cruse's director, Dr. Carole Easton, next week. I look forward to that meeting so that she can tell me at first hand of the work of her organisation. We will also discuss how the Government might be able to help with plans to develop a national telephone helpline as part of Cruse's millennium project. The right hon. Lady asked specifically about that, and I can confirm that we shall be happy to discuss any detailed proposals that Cruse might want to put to us.

My Department has been a supporter of a number of voluntary organisations that run helplines. They include Sane, the Samaritans and the National Schizophrenia Fellowship. We have been doing some work with the organisations to see how they can best be linked to the NHS Direct helpline. That helpline may be best placed to offer general advice about local service provision, with the voluntary organisations able to offer specialist advice on mental health issues, as appropriate.

Again, the right hon. Lady drew my attention to the work of the Saneline service, and I want to place on record my appreciation of, and admiration for, what that service provides. We certainly do not want that service to wither on the vine. In the near future, I hope to be able to discuss with Sane its concerns in more detail.

Indeed, this Government recognise fully the vital role that voluntary organisations such as Cruse play in helping people cope with their grieving and the loss of a loved one. Apart from Cruse, we are also funding three other organisations that deal with bereavement to the tune of some £90,000 in the current financial year. People suffering a loss often turn to the voluntary sector first, because it is seen as user friendly and perhaps more understanding of the difficulties that they face, and because it is regarded as having a sympathetic ear.

It is important for us all to remember and recognise the important role played by the wider voluntary organisations in promoting mental health and meeting the needs of the mentally ill. Much of the innovation takes place in that sector and we must make sure that we learn from their experiences. We are supporting some 64 voluntary organisations working in mental health with some £4.2 million of funding this year. That is a record sum.

We should also keep in mind that mental health problems are as common as asthma. Mental health is not, therefore, a marginal issue for the NHS or for social services. Improving the mental health of our country is one of the new national priorities for health and social services.

In recognition of that, we have launched the biggest investment and reform programme for mental health since the inception of the NHS 50 years ago. An extra £700 million will be invested in improving mental health services over the next three years. To underpin that investment, last December, we published our strategy document on modernising mental health services, which sets out the direction of travel for the national service framework for mental health.

That strategy will address unacceptable variations in services across England. It will set national standards for both health and social care, and establish performance indicators to measure the progress made by services, ensuring that they all meet basic criteria. It will address the whole range of mental health service provision, from primary care—where the majority of mental health problems can be managed—to specialist mental health services

Many, indeed most, of those who have suffered a recent bereavement will be in contact with their general practitioner or with other primary care health professionals. Older people may make that contact for their own health needs, and a general practice or district nurse may be in a prime position to identify their grief and the effects of bereavement. For others, the GP and others in the primary care team will have cared for their dying relative: either way, primary care staff have a unique role.

I am very conscious of the need for a primary care work force able to deliver consistent, good-quality, primary mental health care to people who have been bereaved and who, as a result, are often depressed and vulnerable in both their physical and mental health. Many primary care teams do just that, but we know that depression may often be missed, especially when concurrent with other physical health problems.

I and my colleagues in the Department want the national health service to ensure that people who are bereaved and who present to their GP are properly assessed for their mental health needs and offered effective help and treatment, with referral to specialist services where appropriate. Primary care teams, along with specialist mental health services and social care agencies, should agree and implement protocols to that end.

We also want to make sure that grieving patients receive adequate information about the process of grief, their depression, and its management. Finally, we want to make available adequate information about the local voluntary agencies and self-help groups, such as Cruse, that can offer people expertise and services complementary to those of the NHS.

I therefore reassure the right hon. Member for South-West Surrey that we are continuing to support Cruse and that we value highly the service that it provides to our fellow citizens. I join with her in congratulating Cruse and all its staff and volunteers on their excellent work in this difficult but very important area. I also join with her in hoping and expecting that Cruse will continue that tradition for another 40 years.

Question put and agreed to.

Adjourned accordingly at twelve minutes to Eight o'clock.

House of Commons

Thursday 1 July 1999

The House met at half-past Eleven o'clock

PRAYERS

MADAM SPEAKER'S ABSENCE

The House being met, the Clerk at the Table informed the House of the absence of MADAM SPEAKER *from this day's sitting, pursuant to leave given on 23 June.*

Whereupon, SIR ALAN HASLEHURST, THE CHAIRMAN OF WAYS AND MEANS, *proceeded to the Table and, after Prayers, took the Chair as* DEPUTY SPEAKER, *pursuant to the Standing Order.*

Oral Answers to Questions

AGRICULTURE, FISHERIES AND FOOD

The Minister was asked—

Pet Passports

1. **Mr. Tony Colman** (Putney): If he will make a statement on the implementation of the Government's policy on passports for pets. [87914]

The Minister of Agriculture, Fisheries and Food (Mr. Nick Brown): A pilot project will be in place as soon as possible, and in any event, by next April. The main scheme will be in place by April 2001. Good progress is being made towards meeting those targets.

Mr. Colman: I thank the Minister for what I take to be a reaffirmation of his support for the pet travel scheme, which he announced to the House in March. I was concerned about some press speculation that there had been a change, so I am pleased to hear that the scheme is proceeding as planned. To move forward those proceedings, will he release information about improved vaccines, microchips and blood-testing laboratories so that owners can prepare their pets for travel to or from the United Kingdom?

Mr. Brown: My hon. Friend has raised a very good point, which is at the heart of the scheme. Information about the microchips to be used is in the public domain now; for those who are interested, it can be found on my Department's website, where it was placed on 30 June. In the next few weeks we hope to be able to put in the public domain information on vaccines and the laboratories that are able to undertake testing.

Mr. Nick St. Aubyn (Guildford): Having seen the mess that the Government have made of passports for people, we shall not hold our breath for the introduction of their passports for pets scheme. The Minister must realise that allowing the story to be spun out in April in the run-up to the local elections raised the hopes of many, such as my constituents, the Prestons, who were in Japan at the time, that the scheme might be introduced promptly. Instead, we are to have a year of foot-dragging, denying those who are prepared to take part in the scheme the opportunity to do so. Hopes have been dashed and the Minister is responsible for that.

Mr. Brown: That is nonsensical; under the previous Government, we had 18 years of foot-dragging and no indication of any progress whatever. My predecessor, my right hon. Friend the Member for Copeland (Dr. Cunningham), initiated the scientific inquiry. We analysed the results and then acted. We are proceeding in a measured and responsible way. The pilot scheme has been well thought through; it covers all possible modes of transportation. We intend to move from that pilot to full change and, once that change has been made, the scheme will be widely used and, from the information that is available to me, widely welcomed.

Research Expenditure

2. **Mr. Derek Twigg** (Halton): How much money will be spent by his Department on research in the current financial year. [87915]

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. Jeff Rooker): The Ministry's budget for research and development in 1999–2000 is £125 million. The House will be interested to know that an example of such expenditure is a report that is being published today by the Institute of Occupational Medicine on the effects of exposure to organophosphate sheep dips, which was commissioned by the previous Government in 1995. It is a very important report, about which I shall give a further, longer written answer later today.

Mr. Twigg: Will my hon. Friend pursue his analysis with the Government's scientific adviser at the utmost speed? Will he be talking to manufacturers of sheep dips?

Mr. Rooker: We shall immediately refer the report that has been published today, which is based on the research that we have funded, to the Veterinary Products Committee and the special sub-committee of the Committee on the Toxicity of Chemicals in Food, Consumer Products and the Environment. I am asking manufacturers of sheep dips for urgent meetings early next week.

Mr. Peter Luff (Mid-Worcestershire): The Government have recently been forced to make significant cuts in the research budget of the Ministry of Agriculture, Fisheries and Food, and in many other areas of its expenditure, as a result of the mushrooming of the Phillips inquiry, the very tight settlement on running costs which was accepted under the comprehensive spending review and the failure to sell Covent Garden market. Yesterday, the permanent secretary made it clear to the Select Committee on Agriculture that MAFF expenditure remains very tight. What assurance can the Minister give that there will be no further unforeseen cuts in the research and development budget or other important areas of the Ministry's programmes?

Mr. Rooker: We are not planning any more unforeseen cuts. The cuts have been regrettable. We are very much a

science-based Ministry—all the £125 million R and D budget is policy-driven; none is blue-skies research. Given our running costs of less than £700 million, hon. Members will realise the scale of MAFF's science base. We are not planning further reductions and will be very careful about those that we have had to make simply due to the comprehensive spending review. All key areas of MAFF's work in R and D will certainly continue.

Dr. Ian Gibson (Norwich, North): If the Institute of Occupational Medicine's scientific report suggests further investigation into the long-term adverse health effects caused by short-term exposure to organophosphates, will MAFF fund it, and to what extent?

Mr. Rooker: The report is very large. There is a suggestion of further research, although it is clear from volume 1 that the institute has discovered a source of problems with OP sheep dips that relates to farmers or users coming into contact with the concentrate, giving unexpected results. We shall pursue that urgently with our scientific advisers.

Mr. Paul Tyler (North Cornwall): As chairman of the all-party organophosphate groups, I very much welcome the report and the statement that the Minister has just made. However, will he address the very serious concerns of victims, who have been waiting for the report for many years? They and the all-party group very much welcome the proactive attitude of the Minister and his colleagues, which contrasts with that of their predecessors, who always seemed to find excuses not to do anything. Will he give us an idea of the proposed timetable? How soon will COT—the Committee on the Toxicity of Chemicals in Food, Consumer Products and the Environment—report, and how soon after that will he be able to tell the House what action he proposes to take to help those whose lives and livelihoods have been ruined by exposure to those very dangerous chemicals?

Mr. Rooker: As I said in my initial answer—I want to be absolutely fair about this—the report that is published today, funded by MAFF, the Health and Safety Executive and the Department of Health, was originally commissioned in 1995 by our predecessors. Given that it has taken a while and that the research took place over several years, we have nevertheless set up a sub-committee of COT to consider the wider issue of OPs, well beyond their use in sheep dips. The report to be published today will be referred to COT urgently, but it is also being referred to the Veterinary Products Committee urgently for a preliminary assessment. In addition, I have asked to meet the manufacturers as quickly as possible.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy): As a member of the all-party group, I also welcome the announcement but is it possible, without pre-judging the matter, to suspend the use of OPs until such further research has been commissioned and received?

Mr. Rooker: If we are to ban or suspend the use of OP sheep dips, I must have a really good reason—one that is judge-proof, so that some sleek lawyer does not run round the corner and unstitch what we have done. That is why we are sending the report urgently to our own scientific advisers on the Veterinary Products Committee for an urgent pre-assessment, and speaking to the manufacturers. COT, which is considering the wider issue, will report before the end of the year. I shall not wait until the end of the year, however, for an assessment by our scientific advisers of the report published today to see whether they can recommend any preliminary action that we could take before that.

GM Crops

3. **Mr. Alan Simpson** (Nottingham, South): What progress he has made in *(a)* defining and *(b)* monitoring an effective quarantine zone around genetically modified crop trials. [87916]

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): Separation distances for GM crops were set out in the Supply Chain Initiative on Modified Agricultural Crops—SCIMAC—guidelines published last month. SCIMAC will enforce those through legally binding contracts, inspections and penalties for non-compliance. We are investigating the possibility of making those provisions statutory. The Department of the Environment, Transport and the Regions is monitoring gene transfer at selected GM trial sites.

Mr. Simpson: I thank the Minister for that answer, but is he aware that in April, the National Institute of Agricultural Botany identified that there has been pollen transfer well beyond the SCIMAC guidelines of 400 m where a GM crop barrier is in place? Is he also aware that the Scottish Crop Research Institute identified a pollen transfer of 4,000 m in the same month—mainly where bees are the pollen vector? Has the Minister any plans for the introduction of effective no-fly zones around GM crop trials? If not, on the basis of the principle that the polluter pays, can he say whether aggrieved parties should now look to pursue actions against the farmer, the Government or the bee?

Mr. Morley: My hon. Friend raised the issue of liability in an interesting debate yesterday. On recent research—specifically, the John Innes research, commissioned by MAFF, because we take the potential contamination of other crops by GM crops very seriously—we are considering the advice that we receive from the report.

SCIMAC set those crop separation distances on the basis of accepted and established practice in the agricultural sector in relation to seed transfers and potential cross-contamination between crops of different types, so one can understand the logic behind the separation distances recommended by SCIMAC. However, SCIMAC has made it very clear that it is prepared to review the position. Some sectors, such as the organic sector, are concerned about possible cross-contamination, and we urge it to discuss that with SCIMAC to see whether current separation distances are adequate.

Mr. Anthony Steen (Totnes): I do not know whether the Minister knows much about this, because he is the Minister responsible for fish rather than for GM crops, but is he aware that if a multinational company obtains a licence to grow GM crops in Greece or any European country, it can bring the technology and the licence to

Britain without any further permissions? Therefore, the idea of quarantine zones to ban such crops is gloriously irrelevant.

Mr. Morley: Although sanction for release can be obtained in other European countries, we have to approve it in this country. If we recognise that there is a problem, we can take appropriate action within the United Kingdom. The issue has been recently discussed further within the European Union and agreed guidelines have been put forward, which tighten control at EU level as well as national level.

Mr. Tim Yeo (South Suffolk): Is the Minister aware that only two weeks ago English Nature reiterated its advice that no herbicide tolerant or insect resistant genetically modified crop should be grown commercially in this country for at least three and probably five years? Is he also aware that this is the view of the British Medical Association, the Science and Technology Select Committee, Friends of the Earth, the Royal Society for the Protection of Birds and of many other responsible organisations and individuals? Why will the Labour Government not say clearly, without qualification, that no commercial planting of those genetically modified crops can take place in Britain until the research into their environmental impact has been completed?

Mr. Morley: That is exactly the situation now. There are no commercially planted genetically modified crops within the United Kingdom. There is a commercial moratorium, but research is being carried out. That is exactly what English Nature has been arguing for. If issues such as the effect on biodiversity are identified during that research and evaluation, appropriate action can be taken. There will be no planting of pesticide resistant crops within three to five years.

CAP Budget

5. **Mr. Eric Forth** (Bromley and Chislehurst): If he will make a statement about growth in the CAP budget over the period 2000 to 2006. [87918]

The Minister of Agriculture, Fisheries and Food (Mr. Nick Brown): The spending limits agreed at the Heads of Government conference at Berlin mean that after an initial increase, common agricultural policy costs will, for the first time, fall year on year in real terms from 2002 onwards.

Mr. Forth: Does the Minister recall that early in March the Prime Minister was making it clear that he was completely dissatisfied with the deal that was then being hatched? Yet two or three weeks later, mysteriously, the Prime Minister was prepared to have his Government sign up to a deal that was palpably worse than that which he had criticised only a few weeks earlier. Is the Minister satisfied that what is going on in the CAP is remotely in concurrence with World Trade Organisation rules? If not, what will he do if, as a result, we find ourselves with another futile conflict between the European Union and the United States?

Mr. Brown: My right hon. Friend the Prime Minister secured a first-rate deal for this country at Berlin. He secured the British rebate and for the first time ever not only constrained the costs of the CAP but got them on a downward trend. That is a substantial achievement. I am surprised that that is not acknowledged by Conservative Members. After all, it is something that they did not manage to achieve.

The right hon. Gentleman asked me about the agricultural component of the deal that was arranged at Brussels and modified at Berlin. I have made no secret of my view that I think that we shall be revisiting this component before the six years during which it is expected to endure. There will be much to be discussed in the WTO round and collectively we have our ambitions for enlarging the EU, and there are consequences in those ambitions for the current agricultural settlement.

Mr. Peter L. Pike (Burnley): To take up my right hon. Friend's final point, obviously the CAP was originally designed for six countries. Is he satisfied that arrangements are in place for European Union enlargement, which will have major implications for agriculture throughout Europe?

Mr. Brown: I am satisfied with the arrangements that are in place for the next spending period for European enlargement. However, further issues will have to be addressed in the next spending period. It has been my consistent view, as it has been that of the Government—I do not believe that it is a matter of controversy even between the two sides of the House—that we need to start addressing now the way in which the candidate countries can come into not only the EU but the CAP.

Mr. Andrew George (St. Ives): The Minister seems to accept that the outcome of the CAP negotiations was an unacceptable fudge, which needs to be revisited. Because of all the uncertainties as a result of the fudged outcome, does the Minister accept that the negotiations should be brought forward, so that the issue of EU enlargement can be properly addressed and the uncertainty resolved as quickly as possible?

Mr. Brown: The hon. Gentleman is right to point to the impact of enlargement on the current structures of the CAP, but he is mistaken to refer to either the Brussels or the Berlin outcome as a fudge. It was not a fudge. The criticism that can be made of the deal is that it did not go far enough now. The substantial gain for Britain in the deal is that we made a start on reform in each of the commodity regimes, in spite of the fact that the majority of our partners had reservations about going in that direction. We are going in the right direction. The correct criticism—it is one that I would make myself—is that we have not got far enough fast enough.

Whaling

6. **Mr. Vernon Coaker** (Gedling): What discussions he has had with EU partners on the control of whaling. [87919]

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): We regularly co-ordinate policies with other countries opposed to whaling, both inside and outside the EU.

Mr. Coaker: I congratulate my hon. Friend and the rest of the Front-Bench team on putting animal welfare

issues at the centre of their policy objectives and the work of the Department. Will my hon. Friend examine the way in which the International Whaling Commission works, and consider whether it is possible for that organisation to deal not only with the stopping of whaling, but with the management of whaling, and how we can do more to protect the existing whale stock and increase the number of whales in the world's oceans?

Mr. Morley: My hon. Friend raises a good point. The IWC was set up to exploit whales commercially. The Government have made it clear that we reject the idea of a return to commercial whaling, and we want the IWC to concentrate more on global threats to whales, such as environmental threats, global warming and pollution, and to extend its competence to small cetaceans, many of which are under threat internationally. In the IWC discussions that I attended to underline the importance that the Government attach to the issue, we received significant support from other EU states and other countries, without which we could not have made the advances that we have achieved internationally.

Mr. John Bercow (Buckingham): In rightly continuing the policy of the previous Government of support for the continuation of the moratorium on commercial whaling, is it the Government's policy to support the exemption to allow the Makah Indian tribe in the United States to continue subsistence whaling which, as I am sure the Minister knows, has been undertaken there for about 2,000 years? If that policy is being continued, what progress is being made?

Mr. Morley: We accept the case for indigenous aboriginal whaling in certain parts of the world. That is regulated by the IWC and a quota is set. However, I thought that the Makahs' case for restarting whaling was unimpressive and had not been proved.

Coral

7. **Mr. Tam Dalyell** (Linlithgow): What studies he has commissioned on the importance of coral in the marine food chain. [87921]

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): MAFF has not commissioned any studies specifically aimed at assessing the importance of corals in the marine food chain. However, MAFF's research includes assessments of the impact of fishing, gravel dredging and other activities on benthic communities.

Mr. Dalyell: Is not coral—not least the north-west Atlantic coral in our own waters—crucial as a nursery for many species of fish? I was invited by the Foreign Office to a conference on coral for the dependent territories that was held yesterday at London zoo. Could reflection be given to which Department is the lead Department? The Foreign and Commonwealth Office is involved, as are the Department for International Development, the Department of the Environment, Transport and the Regions and, marginally, the Department of Trade and Industry. Is it not important that there should be a lead Department, particularly to follow up the report of Dr. Charles Sheppard, which was published this week and gives an alarming picture of the bleaching of coral, which affects everyone on the planet?

Mr. Morley: My hon. Friend is right. That is a serious matter for the cold-water corals in our waters, of which Lophelia is the main species in the north-west. However, I can give my hon. Friend some reassurance. The Joint Nature Conservation Committee is taking the lead role in co-ordinating research, which is one of its functions in relation to UK issues. The Natural Environment Research Council is also conducting research, as is Norway. Some of those corals are in international waters and we are sharing information because we take this issue seriously.

Mr. Owen Paterson (North Shropshire): Under the current fishing regime, British fishermen are dumping more dead fish back into the sea than are being landed for human consumption. What effect is that having on the marine food chain?

Mr. Morley: The discarding of fish is an important issue, which we are addressing. I emphasise that the bulk of discarded fish are under-sized and non-marketable. We are commissioning a research programme in conjunction with the EU and other member states to look at the reasons for discarding and technical solutions for reducing and eliminating it.

Mr. Patrick Nicholls (Teignbridge): What possible confidence can we have in the results of the survey that the Minister has announced on the reason for fish discards? As he well knows, as long ago as 1991 the Commission's 10-year survey of the common fisheries policy said that discards were not simply a by-product—some unintended consequence—of the CFP, but a positive obligation under it. Will he also admit that many discards are purely and simply fish that are quite edible and of proper and fit size, but which cannot be landed because of the iniquities of the CFP? That is the reality of the situation and he should not need to commission a survey to tell him what is already an obligation under the CFP.

Mr. Morley: I repeat that research programmes that we have carried out, most recently in the North sea, show that 90 per cent. of discards are under-sized and non-commercial fish. Some marketable fish are discarded as a by-product of quota control. Although I have repeatedly invited the industry and the Conservative party to put forward alternatives to quota control, no workable alternative has ever been suggested. I received a letter this morning from a Conservative Member of the European Parliament, who was unable to explain the Conservative party's fisheries policy, and it seems that Conservative MEPs have no idea of where their party stands on fisheries policy and tackling such issues as the conservation of fish.

Pig Industry

8. **Mr. John Healey** (Wentworth): What recent representations he has received on the current state of the pig industry. [87922]

The Minister of Agriculture, Fisheries and Food (Mr. Nick Brown): Over recent months I have received a number of letters, from hon. Members and others, about the difficulties currently faced by the pig industry. In addition, I have listened to the views of pig farmers, their representatives and other interested parties at seminars and regional events.

Mr. Healey: May I draw my right hon. Friend's attention to difficulties faced by Mr. and Mrs. Brookes at West Melton? They are pig farmers in my constituency and last year, for the first time in four generations of farming, they took out a bank overdraft. What reassurances can he give to Mr. and Mrs. Brookes and thousands of pig farmers like them that the Government are doing all that they can to ensure that the exemplary standards of pig husbandry, feed and drugs treatment in this country are an advantage, not a disadvantage, in the marketplace?

Mr. Brown: My hon. Friend is absolutely right. I am very sympathetic to farmers who find themselves in such circumstances. I am meeting the representatives of the agricultural divisions of the main high street banks specifically to discuss the problems of the pig industry. Furthermore, the Government's strategy, which is aimed at getting the industry through what I freely acknowledge are difficult times, is aimed at securing for pig producers such as his constituents a premium in the marketplace for the animal welfare measures that Parliament voted to be put in place. I have been working, with some success, not only with the British Retail Consortium, but with the Meat and Livestock Commission and others with an interest in this matter to secure that premium for the industry in the marketplace. The figures to date show that there is a 15 per cent. premium for United Kingdom pigmeat in the United Kingdom market.

Mr. Christopher Gill (Ludlow): Does the Minister accept that the Government are presiding over the biggest crisis in the pig industry that the country has known? He will be aware that the breeding herd is 23 per cent. down in only 18 months and threatens to go lower. The Government have had the opportunity to help the industry, but they have failed. For example, they recently decided not to allow the separate rendering of porcine offals for feed.

Is the Minister aware that I have asked questions about help from other Ministries? He should be, because I have raised that issue with him previously. On 20 May I wrote to Ministers at the Department of Health and at DETR and asked them to use their

" best offices to ensure that Local Authorities"—

and health authorities—

"purchase only pork and pork products derived from pigs produced to the same high health and welfare standards as are applied in the UK."

I have had no reply, other than an acknowledgement saying that the letter would be passed on to the Minister of Agriculture. Is that joined-up government?

Mr. Brown: I assure the hon. Gentleman that it is joined-up government. I have made the representations that I previously promised to my colleagues within the Government and we have had a supportive response, not least from the Ministry of Defence, which makes sure that its procurement of fresh pork products is 100 per cent. United Kingdom sourced. That is an important support for the industry. In addition, I have on my desk draft letters waiting to go out to the major public authorities—the prisons, the health authorities and local authorities—not via other Departments but directly, urging them to source products of the highest welfare and animal hygiene standards, thus supporting the Meat and Livestock Commission's quality assured campaign.

I believe that the strategy that we are pursuing is the right one. Of course, the size of the national herd has come down; it is right that it should do so. The only way through for the industry is to bring supply and demand closer into alignment. The hon. Gentleman says that the Government have presided over the crisis, but over-optimistic decisions that were made in 1995–96 about the amount of product that the market could bear have, more than anything else, served to get us into the present difficulties. Those decisions were made not just in the United Kingdom but across the European Union. External factors, such as over-optimistic assumptions about a rising market in the far east and the former Soviet Union, turned out not to be well founded. Those were market judgments, which are not the fault of the Government.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. May I appeal for briefer questions and briefer answers?

Mr. Hilton Dawson (Lancaster and Wyre): Is my right hon. Friend aware that, following a debate in the House last Thursday in which I referred to excellent pork sausages from Garstang, our worthy *Hansard* reporters asked where they could get them? May I tell them that a consignment is heading this way a week on Monday? Would my right hon. Friend like some as well?

On a more serious point, may I urge my right hon. Friend to use his considerable weight and presence with the British Retail Consortium and with supermarkets everywhere to ensure that excellent products such as Mary Miller's pork sausages get into our supermarkets instead of lower quality pig products from abroad?

Mr. Brown: I hope to meet the British Retail Consortium shortly to reaffirm the arrangements that I made with it before Christmas. I shall add to my weight, and perhaps my responsibilities, by consuming the product that my hon. Friend recommends.

Mr. William Thompson (West Tyrone): Is the Minister aware that in Northern Ireland the problem is particularly acute, because the selling price received by the farmer is a lower percentage than that in the rest of the United Kingdom? There are still many rumours that other European Governments are subsidising their pig farmers through the back door. What investigations has MAFF made into those allegations, and what representations have been made to the Commission about them?

Mr. Brown: The hon. Gentleman is absolutely right to say that there are particular difficulties with the market in Northern Ireland. Prices there are not as buoyant as they are in the rest of the United Kingdom. Perhaps it is a mistake to use the word "buoyant", because although we have obtained for the industry a premium in the

marketplace, the industry is still not back to break-even point. I accept that we have more work to do. I have made representations to the Commission relating to the suggestion that the French Government plan to introduce state aids that go beyond EU rules, and the Commission is investigating that. Moreover, I recently met our agricultural attachés in the different EU embassies and went through a number of detailed questions with them on points that the Government hope that they will look out for.

Mr. Tim Yeo (South Suffolk): Given the collapse of the incomes of pig farmers since Labour came to power, how long will the Minister stand idle while imports of pig meat produced under conditions not permitted in Britain continue to flood into this country? How long will the French Government be allowed to pay unlawful state aids to their pig farmers before a murmur of protest passes the Minister's lips? How many British pig farmers will go bust before the Minister translates his warm words of sympathy into effective action to help the remaining British pig farmers to survive?

Mr. Brown: I do not want to go through again the answer I gave earlier. The hon. Gentleman will have heard the explanation, but does not seem able to understand it. As I told the House, when other member states are trying to introduce state aids that we believe are outwith European Union rules, we complain to the Commission and ask it to investigate. We have raised with the Commission the matter of the alleged state aids in France—I notice that the hon. Gentleman has no hard evidence—and the Commission is requiring information from the French Government.

On the hon. Gentleman's other points, I should say to the whole House that there is no solution to this problem in protectionist measures. We must fight for our industry to get a premium in the marketplace, and that is exactly what the Government are doing. The hon. Gentleman would serve the pig industry better if he joined forces with me and fought to secure for the industry the premium in the marketplace which the production systems in this country rightly merit.

Meat Labelling

9. **Mr. Robert Syms** (Poole): If he will make a statement about the labelling of country of origin on meat sold in Britain. [87924]

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. Jeff Rooker): Information on the country of origin of meat can be given by retailers voluntarily. It is helpful to consumers to be provided with full information, including the country of origin. As a consumer, I want that. If meat is not labelled as British, people should not assume that it is British.

Mr. Syms: Have not the British public the right to know the country of origin of the meat on their table, so that they can make an informed choice about hygiene and welfare standards? We have pretty high standards in this country, and if we have health scares many consumers feel helpless when they go to a supermarket, because they do not know what they are buying for their children and their family.

Mr. Rooker: I agree entirely with the hon. Gentleman. We cannot introduce rules unilaterally. There is a Europe-wide beef labelling scheme, which is separate. Retailers can put the country of origin on other meats, and consumers should insist on that. If that information is not on the product, people should not buy it because they do not know where it has come from. If people want to buy British because of our high welfare and hygiene standards, they should look for the British label. If meat is not labelled as such, people should not assume that it is British.

Mr. Bob Blizzard (Waveney): Is my hon. Friend aware that there are two large beef processing factories in my constituency—Wessex Foods and Bird's Eye? It has been said that Lowestoft is the burger capital of the region, if not the country. Sales of beef products have soared since the Government restored confidence in British beef and the Meat and Livestock Commission quality mark label was introduced. The only concern that my factories have is whether they can get enough British beef. Is not that really good news for British beef farmers, by stark contrast with the dark days under the previous Government during their BSE crisis?

Mr. Rooker: Yes. British consumption of British beef has risen 10 percentage points since December 1997, because British consumers' confidence in British beef is greater than it has ever been. That is right, and that increase in consumption is shown by the amount of purchasing. It will increase further when we persuade our European partners to accept the flow of British beef once again.

Mr. James Paice (South-East Cambridgeshire): It is now several months since the Minister promised to investigate meat hygiene charges for British-produced meat. Yesterday at the Norfolk show I met abattoir owners who are concerned that they may go out of business, which will encourage imports of overseas meat. Will the Minister stop this absurd notion that there will have to be a fully qualified vet in every abattoir, at huge cost to the abattoir owner? That will lead to increased employment of foreign vets, who are clearly not up to the job. None of that is in the interests of British-produced meat.

Mr. Rooker: It was the hon. Gentleman's final inquiry that gave me the clue to whether his supplementary related to Question 9 or Question 10. [HON. MEMBERS: "Answer."] I can answer the hon. Gentleman's question, although it does not relate to the question that is on the Order Paper. We have not yet announced the outcome of the review of the charges, but we have undertaken investigations of the requirements for vets to be present in abattoirs.

I fully accept that the meat industry, although it is one industry, involves two cultures. For instance, the fact that 80 per cent. of cattle are slaughtered in 20 per cent. of abattoirs demonstrates that there are a few very large abattoirs and a good many very small ones. We are trying our best to establish a regime that will meet the requirements of both small and large abattoirs, so that they can work in harmony. We do not intend to put small abattoirs out of business, but we cannot recruit the vets we need. That is why we have imported some from the European Union.

Mr. Paice: We do not have to do that.

Mr. Rooker: Unfortunately, the supply of vets in this country is restricted for reasons connected with education

and the requirements of the royal college of veterinary Surgeons. The Government have been addressing that. *[Interruption.]* It is no good saying that we do not need vets in the first place; there is a European requirement, and a legal requirement, for us to have qualified vets. Nothing that the hon. Member for South-East Cambridgeshire (Mr. Paice) says can knock that on the head.*[Interruption.]*

We are apparently being asked—by someone in a sedentary position—to diminish our standards in abattoirs. We are not prepared to do that.

Specified Risk Materials

10. **Mr. James Plaskitt** (Warwick and Leamington): What measures he is taking to ensure that controls on specified risk materials do not place additional burdens on the livestock industry. [87925]

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. Jeff Rooker): The House will be aware that the Government have deferred plans to charge the meat industry for the cost of specified risk material enforcement for a further year. That will save the industry some £20 million.

Mr. Plaskitt: Farmers in my constituency are very grateful to the Government for meeting the costs of the scheme, and I think they accept in principle that the time has come for the costs to return to the industry. Can my hon. Friend say any more about the possible timing, and about whether he is considering any phasing in of costs?

Mr. Rooker: The time mentioned in the announcement was a year. When my right hon. Friend announced the concession, having noted the industry's problems, we indicated that there was a potential for phasing in, probably over two years.

This is a public health measure, and as such it is very important. It does not relate to every single abattoir; it is intended to deal with cattle and, to a lesser extent, sheep. We feel that the industry should take the cost on board, but it would probably be wrong to ask it to take all of it on board in one go.

Miss Anne McIntosh (Vale of York): I welcome the postponing of the SRM costs, but will the Minister act urgently to reverse the decision to have qualified vets on site at the time of the slaughtering of all animals? This is an unacceptable charge which has more than doubled the cost of the slaughtering of all animals, and poses the risk that small local abattoirs will have to be closed in the coming months.

Mr. Rooker: We have considered the matter, and are still considering it. We have not yet announced the charging regime for this year. At present the Ministry is bearing about £300,000 of the charges, and the industry is therefore benefiting from the delay. When we present our proposals, however, I hope that they will take on board what the hon. Lady has said about the requirement for full-time veterinary supervision.

Organic Farming

11. **Ms Julia Drown** (South Swindon): If the Government will introduce targets for the proportion of land that is farmed organically in the United Kingdom. [87926]

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): We have no plans to do so at present. To be sustainable, production should be in response to market demand. The Government are committed to supporting the expansion of the organic farm sector, which in the United Kingdom has increased by over 400 per cent. in the past 12 months.

Encouragement of organic farming in Scotland is a matter for the Scottish Parliament; in Wales, it is a matter for the Welsh Assembly. I understand that there are no plans to set a target for organic production in Northern Ireland.

Ms Drown: My hon. Friend spoke of the need to respond to market demand, and then described the huge increase in demand that has taken place. In February this year, supermarkets reported an increase of between 35 and 40 per cent.—yet we are importing 80 per cent. of the organic fruit and vegetables that we consume. Will my hon. Friend consult his counterparts in Austria, which is farming 10 per cent. of crops organically—the figure here is less than 1 per cent.—and in Denmark, which has set ambitious targets, to establish whether there are lessons that we can learn?

Mr. Morley: We are keen to expand the organic sector for the reasons that my hon. Friend states. However, an expansion of more than 400 per cent. in 12 months is a sign of the success of the extra support that the Government have given to organic farming; there has been a near doubling of aid for organic research. We want organic production to expand up to the market available for it. We are at about the 2 per cent. mark; it is under 2 per cent. Given market demand, there is further room for progress.

ATTORNEY-GENERAL

The Attorney-General was asked—

Disclosure

26. **Mr. Chris Mullin** (Sunderland, South): What discussions he has had with the Director of Public Prosecutions about reforming the law on disclosure in criminal cases; and if he will make a statement. [87904]

The Attorney-General (Mr. John Morris): I meet the Director of Public Prosecutions routinely to discuss the work of the Crown Prosecution Service. At those meetings, we have discussed the application of law of disclosure. The director recently initiated a programme of work to ensure that the law is applied properly.

Our discussions have not covered reform of the law, policy responsibility for which rests with the Home Secretary.

Mr. Mullin: Does my right hon. and learned Friend recall that, when he and I were on the Standing

Committee that considered the Criminal Procedure and Investigations Bill, we both took the view that it was not sensible to allow the police and prosecution to decide what material should be made available to the defence? That is still my view. Is it his?

The Attorney-General: I do not think that my hon. Friend is reminding the House precisely of what I said. I think that I said that the proposal was a distinct improvement in that both prosecution and defence would be able to focus on relevant material. The director and I share the concern that justice be done, and justice demands proper disclosure.

Although 100,000 persons, in both the CPS and the police, were trained initially, there is need for more training. The director has begun a programme of work and emphasised the importance of the issue to the new chief Crown prosecutors. As regards the police, some of the work may be done together. That is primarily a matter for the Home Secretary, but I reiterate the director's words:

"Innocent people may be convicted and guilty defendants acquitted if the CPS fails to properly disclose material to the defence in criminal trials."

I attach great importance to that. We can move forward with proper training and proper retraining, if that is necessary.

Mr. Edward Garnier (Harborough): What discussions has the right hon. and learned Gentleman had with the DPP about disclosure in cases under the Prevention of Terrorism (Temporary Provisions) Act 1989? In the light of that, why did it take his Department 17 days to advise the Home Department of the errors that were discovered in the recent version of the PTA? Is 17 days an acceptable period of delay when dealing with a matter of that importance and urgency?

The Attorney-General: I congratulate the hon. and learned Gentleman on the translation to his new office. Who knows—his learning curve may turn out to be as long as mine: 18 years.

On the precise question, the position is as follows. I have read the debate in the House. The matter was discovered by one of my staff; the Home Office was informed; it requested advice on 1 June. The Solicitor-General and I took a preliminary view. The advice sought by the Home Office was not solely on the problem that the regulations had not been properly delineated; there were other issues involving the procedure to revive them. It was an unprecedented situation. There was also the knock-on effect in relation to the case that is to be before the House of Lords on 19 July.

In those circumstances, I deemed it right to seek the advice of, eventually, two Treasury counsel. That was obtained on 17 June. The instructions were given to counsel on 8 June. It was important to get it right. We saw a preliminary view from Treasury counsel and, on the day we eventually received the final joint advice, it was conveyed to the Home Office.

There was no unacceptable delay whatsoever. I am sure that, 18 years from now, if the hon. and learned Gentleman is doing my job, he will do precisely the same to get it right.

Dr. Ian Gibson (Norwich, North): Can my right hon. and learned Friend recollect a situation in which any member of the Crown Prosecution Service has been subjected to disciplinary procedures for failure to disclose?

The Attorney-General: The answer is none. Frequently, the problem is not one of non-disclosure but of late disclosure, as in the case referred to by my hon. Friend the Member for Sunderland, South (Mr. Mullin). There are also obvious difficulties unless non-disclosure is clearly an unambiguous fault, as opposed to something that has been overlooked. Of course, the Crown Prosecution Service has to rely on material provided by the police; hence the need to continue to be vigilant and to retrain, so that both the police and the CPS can ensure that justice is done.

Welsh Language

27. **Mr. Elfyn Llwyd** (Meirionnydd Nant Conwy): What percentage of Crown Prosecution lawyers in Wales are able to conduct trials through the medium of the Welsh language; and if he will make a statement. [R] [87905]

The Attorney-General: In Wales, 14.08 per cent. of Crown prosecutors are able to conduct trials through the medium of the Welsh language, which compares with the 13.6 per cent. of the population who can speak, read and write Welsh. In fact, it is estimated that the ability is needed in fewer than 1 per cent. of trials.

Mr. Llwyd: I thank the right hon. and learned Gentleman for that reply. In some areas of north Wales, provision is considered very good; but in some areas of Wales, it is considered very poor. Moreover, where provision has developed, it has done so solely on an ad hoc basis. For example, in Dyfed—which, as the right hon. and learned Gentleman will know, is a Welsh-speaking area—three out of 15 prosecutors speak Welsh. There is under-provision in some areas, but proper provision in others.

When the CPS next comes up for appraisal of service delivery, will the right hon. and learned Gentleman ensure that such provision is a definite subject heading, so that each and every area will report on this important issue?

The Attorney-General: I know that the hon. Gentleman regards it as an important issue, and I share that belief. A long time ago, I had the privilege of prosecuting a case—a substantial part of it in Welsh—in his own constituency. Two of the four newly appointed chief Crown prosecutors speak Welsh, and one of them is learning it. All four were born in Wales. I assure the hon. Gentleman that we attach importance to the fact that, if required, 20 of the prosecutors in Wales are able to conduct cases in Welsh. If any case goes to the Crown court, a substantial number of barristers—including the hon. Gentleman—are capable of conducting it in Welsh.

Mr. Gareth Thomas (Clwyd, West): I am sure that my right hon. and learned Friend will agree that the legal system has progressed quite a long way from the days when it was the instrument of official suppression of the Welsh language in Wales. None the less, does he accept that there is still a long way to go before the principles enunciated in the Welsh Language Act 1993 are realised?

The Attorney-General: I am not sure whether I follow every material part of my hon. Friend's suggestions;

I know, having practised on the circuit a very long time ago, of problems arising. However, the figures show that the number of such cases are very small indeed. The case that I prosecuted concerned sheep stealing, which, as the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) will know, is a very important matter in that part of the world. On language itself, the CPS has produced for the Welsh Language Board a draft report in which it sets out its policy in detail. I am sure that my hon. Friend will find it acceptable.

Fraud Cases

28. **Dr. Brian Iddon** (Bolton, South-East): When he last met the Director of the Serious Fraud Office to discuss the failure rate of prosecutions in fraud cases. [87907]

The Solicitor-General (Mr. Ross Cranston): The Attorney-General and I meet the Director of the Serious Fraud Office on a regular basis to discuss the operational work of the office, and on an ad hoc basis as issues require. In the past 12 months, the Serious Fraud Office has brought 19 cases against 39 defendants, of whom 32 were convicted. The overall conviction rate in each year since 1996–97 has been in excess of 80 per cent.

Dr. Iddon: Has my hon. and learned Friend expressed to his colleagues the dissatisfaction of the general public at the fact that millions of pounds have gone down the drain as a result of the failure of several high profile serious fraud cases? Does he believe that people should benefit from serious fraud? I am minded to ask that question because of the case of Nick Leeson, who collapsed a bank, spent only six years in jail, and will apparently benefit to the tune of at least £100,000. Will my hon. and learned Friend condemn the media, as in assisting him to do that they are encouraging people to commit serious fraud?

The Solicitor-General: As I said, the Serious Fraud Office has a very good record. It was not involved in the case of Nick Leeson because he was prosecuted in Singapore. If my hon. Friend is asking me whether people should profit from doing wrong, my reply is that as a general principle they should not. My hon. Friend may know that my right hon. and learned Friend the Attorney-General has taken proceedings against George Blake, who profited from writing his memoirs about spying against the country. I understand that the Press Complaints Commission can take up the matter; that may be appropriate.

Mr. Andrew Stunell (Hazel Grove): The Minister may be aware that an all-party group of right hon. and hon. Members was invited to visit the stock exchange yesterday and heard a detailed explanation of the regulatory regime, particularly in respect of insider trading and other offences that may come to light there. We were told that in the past two years 70 such offences, or suspected offences, had been referred to the Crown Prosecution Service and to the fraud squad, but that no successful prosecutions had followed. Is that considered an acceptable outcome, when white collar fraud clearly has the capacity to produce great dividends for those who practise it and is often seen as being victimless?

The Solicitor-General: I am not aware of the particular statistics to which the hon. Gentleman refers, but I shall certainly look into the problem. Insider dealing is a difficult offence to prosecute as it is particularly difficult to obtain evidence. Under the new regime in the Financial Services and Markets Bill, the regulatory authorities will be able to take disciplinary action, but at the end of the day serious cases have to be pursued. I shall certainly look at the matter raised by the hon. Gentleman.

Mr. David Kidney (Stafford): When the Financial Services Authority is given the power under the Financial Services and Markets Bill to prosecute fraud cases alongside the Serious Fraud Office and the Crown Prosecution Service, how will that affect the responsibilities of the Law Officers in this place?

The Solicitor-General: The Serious Fraud Office will continue to prosecute the most serious fraud and cases will be referred to it by the regulatory authorities. Of course, under the new regime more cases should be pursued as a result of the activities of the Financial Services Authority. So as a result of the Bill, a more efficient regime will be in place.

Lenient Sentences (Appeals)

29. **Mr. John Bercow** (Buckingham): If he will make a statement on the number of appeals against lenient sentences in the latest year for which figures are available. [87908]

The Solicitor-General: In 1998 in England and Wales, 94 individual references were made to the Court of Appeal and 88.1 per cent. of the references heard resulted in an increased sentence. Eleven cases have yet to be heard. This year, as of the end of June, 54 cases have been referred to the Court of Appeal. Of the 12 cases that have been heard, the sentence was increased in 10 cases.

Mr. Bercow: I am grateful to the hon. and learned Gentleman for that informative reply. Does he have any plans to extend the number of offences in respect of which lenient sentences can be referred to the Court of Appeal—and if not, why not?

The Solicitor-General: In our manifesto, we undertook to look into that matter, and we have done a great deal of preliminary work. I hope that an announcement will be made in the fairly near future. The previous Government made two minor extensions to the Criminal Justice Act 1988, but experience has shown that not many references have been made. Most of those that arise are for truly serious offences, but statistics demonstrate that more references are being made now than in the past. We take the matter seriously.

Child Support Reform

12.30 pm

The Secretary of State for Social Security (Mr. Alistair Darling): With permission, Mr. Deputy Speaker, I should like to make a statement on our reforms of the Child Support Agency—a key part of our strategy for supporting families and children.

Last year, we published a Green Paper setting out our proposals, and there was overwhelming support for change. I am placing in the Library a summary of 1,500 responses to the Green Paper, along with a list of those who contributed. I am also publishing our White Paper on child support, setting out reforms that will get money to 1 million children who currently miss out. I have written to all hon. Members enclosing a summary of the White Paper, and I have placed copies in the Vote Office.

The reforms that I will set out today are driven by principle. We are putting children first, and we are making sure that the new system is fair on fathers who want to support their children, and tough on those who will not. Our reforms mark a new contract for child support, based on the right of a child to the care and support of its parents, and on the responsibility of parents to provide it.

The responsibility for bringing up children lies squarely with both parents, and that responsibility endures whether they live together or apart. All children have the right to a decent start in life. The Government are already doing a great deal to help. We are increasing child benefit by a record amount and providing more help for low-paid families through the new working families tax credit, tax changes and the national minimum wage. Taken together all that means that a family on £13,000 a year will be better off by up to £2,500 a year.

We are investing £540 million in the sure start programme for very young, disadvantaged children. We are committed to ending the scandal of child poverty in a gener[illegible]e are determined to make sure that children receiv[illegible]e help that they need, which is why we are introducing a new system of child support that is simple, effective and fair.

Today, many children miss out on the support that they should receive from both parents. Under the present system, only 250,000 children receive maintenance, and only 100,000 children get all that they should. Some 30 per cent. of parents using the CSA pay nothing towards the care of their children. That cannot be right. The child support system should help parents to meet their responsibilities, and, where necessary, it should take action when parents will not do so.

The system that we inherited has failed. It does not help parents who want to pay, and it is not tough enough on those who will not pay. The previous Government set up the Child Support Agency in 1993 to replace a court system that could not cope. Going back to the courts is not the answer. In 1979, 52 per cent. of lone parents on income support received maintenance, but by 1990, the courts were getting money to only 20 per cent. On top of that, decisions were often unpredictable, unreliable and unfair. The CSA was meant to sort that situation out, but it did not. The percentage of lone parents on income support getting child maintenance is the same today as it was when the agency was set up.

The CSA became a bureaucratic nightmare for parents and staff alike. The reason for that is clear. Under the current system the CSA can require more than 100 different pieces of information to make a single decision, meaning that a third of all child support cases wait at least six months for a decision. The CSA spends 90 per cent. of its time chasing information, and only 10 per cent. chasing parents who will not pay. The result is that many responsible parents who genuinely want to support their children often find themselves facing a mountain of debt through no fault of their own, while irresponsible parents can play the system to their advantage and end up paying nothing for their children. We must always remember that it is children who lose out.

These failures have their roots in the complexity of the current system, and the result is an administration so burdened that only root-and-branch reform will turn things round. We are tackling that inheritance by introducing a simple, new and effective system of child support to deliver for children by reforming the policy and rebuilding the agency.

We will put the confidence back into child support by introducing radical reforms in four key areas. First, we are abolishing the current system for calculating child support, replacing unworkable policy with a workable new system that is based on a simple way of deciding how much parents should pay. Secondly, we are turning the agency round so that it provides a decent and effective service to all parents to make sure that children actually get the money from their parents, and quickly.

Thirdly, we are introducing tough new measures to deal with parents who try to run away from their responsibilities. Fourthly, we are helping the fight against child poverty by introducing new help for children in the poorest families.

I now wish to refer to the detail of our proposals. I want to set out our plans to reform the formula that is currently used to calculate how much parents pay towards the care of their children. That is the fundamental flaw at the heart of the system. It was designed to take account of any—in fact every—detail that might affect how much a father could pay. The result is a calculation so complex, it is barely workable; so complex, it is often difficult for parents to know whether a decision is right or not; so complex, it takes months to get a decision.

Today, I can announce that we are abolishing the complex formula and replacing it with a system of simple rates that is so easy to understand that parents can work out for themselves how much they should pay. We will publish these rates—indeed, they are in the White Paper—by putting leaflets in post offices, libraries and elsewhere.

The new rates are reasonable because they reflect the amount a parent would pay if he were still living with his children. Under the new system, a father will pay a flat-rate percentage of his take-home pay. The amount will be 15 per cent. if he has one child to support., 20 per cent. if he has two and a maximum of 25 per cent. where he has three or more children. For fathers on less than £100 a week, there will be a flat-rate payment of £5 a week.

Every parent knows that one cannot calculate the cost of bringing up a child down to the last penny. However, our proposals are fair and reasonable. The changes are fairer to fathers, because they are more reasonable and realistic. They are fairer to mothers, who will get money much more quickly. They are fairer to children, who will actually get the money they need. As the system is so

simple, it will take the agency only a few days to confirm what should be paid, rather than the six months it takes now. It is fast and simple for parents and fast and simple for the agency—but, above all, it is right for children.

To do this, we need also to reform the way in which the CSA operates and to improve significantly the service that it provides. This is not going to be easy. The CSA will never be popular—it will always be doing a difficult job at a difficult and emotional time. However, by replacing the complex formula with new, simple rates, we are laying the foundations for a far better service than would ever be possible under the current system.

These reforms mark a new contract for the CSA, too—a new system in return for a radical change in culture, service and approach. The shake-up has already started. We are strengthening the agency's management and we are importing private sector know-how to work together with public sector experience to sort things out.

From next week, we are bringing in the private sector to help the agency to collect more money from more parents and get it to children. I can announce today that we will invest an extra £28 million over the next three years, but, in return, the CSA must deliver clear and tangible improvements—a better service, quicker decisions and more money getting to children than ever before.

The CSA will get new information technology, and will make more use of the phone to sort out queries quickly. It will be there at times that suit parents, so that they can call in the evenings or at weekends from the privacy of their own homes, and not in the daytime while they are at work.

The CSA will introduce also a more effective complaints system to ensure swift and effective action if things go wrong. Parents will get a clear statement setting out what they have paid and what is due. They will receive a clear picture of where they stand, just as one would get from a bank statement. In short, the CSA will move from an organisation that is bogged down in paper to an organisation that will focus on the needs of parents, and, above all, on the need to get money to children, fast. Our new contract for child support is good news for responsible parents, who will get a better service that helps them to do what they want to do. However, it is bad news for the minority—the hard core who persistently let their children down. We will make sure they are brought to book.

I can announce that, for the first time ever, we are making it a criminal offence to fail to provide, or to misrepresent, information to the agency. If parents lie to the agency, if they try to dodge their duty or persistently pay late, they will face a fine or even time in jail. Although most self-employed parents are highly responsible, there are some who are not, so we are introducing new measures allowing us to access tax records to get a true picture of their income. That will ensure that fathers who run around in the company Porsche, but plead poverty to their children, cannot get away with it.

We are also closing a loophole that allows fathers to string out a decision by denying that they are the father of their child. In future, if a child was born while the father was married to the mother, the burden will be on him to prove that he is not the father. We shall also make sure that teenage boys who become fathers face their responsibilities. They must realise that bringing a child into the world is a lifelong responsibility; it is not something that they can ever walk away from. We shall make sure that once they can pay towards the care of their child, they do pay.

Furthermore, because we are determined to make sure that all parents meet their responsibilities, we are looking at further measures to achieve that—including taking away driving licences from fathers who persistently shirk their responsibilities. The message is simple: there is no hiding place, no excuse and no easy way out. They must realise that their child is their responsibility. Every parent has to face up to that; they owe it to their children to do so. This is our new contract for child support. We will deliver a new, fair and simple system that will help responsible parents to support their children, but, in turn, we will take tough action to ensure that the rest deliver for their children.

We are also reforming the system to make sure that it does more for children in the poorest families. Under the current system, mothers lose their income support, pound for pound, whenever any maintenance is paid; because mothers lose out, their children lose out too. So, today, I can announce significant new help for children in the poorest families, worth up to £10 a week. More than 250,000 children will gain from that change alone. That is real help from the Government for children in the poorest families. For the first time ever, we are making sure that money goes to the poorest children, not to the Treasury.

I can announce today that, to make work pay, from October, low-paid families in work and receiving the working families tax credit will keep every pound and every penny of child maintenance paid. All those measures are delivering on our commitment to do more for those who need it most, to end child poverty and to make sure that the Government, parents and the Child Support Agency together deliver for children.

Of course, we need to make sure that those changes are introduced smoothly and successfully. We want to introduce the new scheme as soon as possible, but it is vital to get it right. The present system collapsed under its own weight because the previous Government tried to introduce reforms too quickly, and with too little thought. It is a massive task. Within a year of the millennium, the Child Support Agency will be dealing with more than 1 million cases—that is more than 2 million parents. Radical change on that scale will take time. The new system needs legislation and new computer systems, as well as a radical change of culture and working practices in the CSA itself.

We plan to introduce the new system for new cases towards the end of 2001, with existing cases coming on to the new system later, once it is up and running. However, we want to introduce some measures earlier, such as making it a criminal offence to lie to the agency, closing the loophole that allows fathers falsely to deny their paternity, and improving the administration of the CSA itself.

The future of child support lies in our new contract, which puts the rights of children first, and puts the unshakeable duty of parents at centre stage. The new system will be simpler and fairer for those fathers who want to support their children, but it will be tougher on those who will not. The agency will be turned around, so that it provides the standard of service that we all expect.

[Mr. Alistair Darling]

We are putting the confidence back into child support, replacing complexity with simplicity, replacing delay with quick and accurate decisions, and replacing bureaucracy with a high-quality customer service. Together, our reforms will help 1 million children who, today, are let down by the current system. We are delivering for children and putting their needs first.

I commend these proposals to the House.

Mr. David Willetts (Havant): I thank the Secretary of State for his courtesy in giving me advance sight of his statement and the White Paper. Both sides of the House agree that the CSA needs reform, just as both sides of the House supported the creation of the CSA in 1993, and the reforms that we introduced in 1995. The system that Ministers inherited is one that we all supported—including those who are sitting on the Treasury Bench. The trouble is that the problems in the CSA have continued—if anything, they have become worse.

Will the right hon. Gentleman confirm that the latest annual report from the chief child support officer shows a further decline in the number of correct maintenance assessments? Will he now give a cast-iron promise to the House that that trend of deteriorating performance will be reversed, and tell the House when that will happen? It has taken Ministers more than two years to reach this statement, and it is eight months since the deadline for consultation on their previous Green Paper. It has taken Ministers longer to reach a decision than it takes the Child Support Agency they criticise.

The Opposition accept the need for a simpler system, with better enforcement and less fancy arithmetic to calculate liability. We accept that that approach is the right one. However, we have three areas of concern about today's proposals. First, rough justice is the new buzz phrase, but how rough is the rough justice to be? How many liable parents will have their obligations reduced, and by how much? How many of the parents with care will have their entitlement to maintenance reduced, and by how much?

Specifically, will the Secretary of State confirm that he will no longer take account of the income of the parent with care? Does he not recognise that one of the most important grievances arising from the current arrangements is felt by those absent parents who have a lower income than the family with care? Is not one of the effects of his proposals to redistribute dramatically toward the more affluent families with care?

Instead of addressing that point about liabilities, I fear that the Secretary of State will change the subject and talk about enforcement. His spinners have been making a lot of the new criminal penalties for absent parents who do not pay maintenance. That is a snappy soundbite, but a stupid policy. Putting absent parents in prison makes it less likely that they will be able to earn any income, less likely that they will ever pay any maintenance, and less likely that they will have any access to their children.

The Government should make existing civil remedies work. After all, the Minister's colleagues in the legal Departments are boasting about their reforms of civil justice and new fast-track procedures, so why does he not practise some joined-up government, trust his Government's reforms of civil justice and use those remedies effectively and energetically? Even if he does not trust his own colleagues, why does he not agree with the response to the consultation exercise of the National Association of Citizens Advice Bureaux? It said:

"We are not convinced that it is the powers themselves that are deficient, but rather the way in which they are being exercised".

The Minister thrashes about with any old wheeze to give the impression of action. We are told that absent parents might lose their driving licence—presumably as part of the Deputy Prime Minister's attack on the motorist. Today, we read that they will lose their passport—presumably that is a desperate attempt to get them out of those queues at the passport offices. Such gimmicks are not the answer.

Our third area of concern is Inland Revenue access to information. Let me quote to the right hon. Gentleman an assurance from his colleague the Under-Secretary of State for Social Security, the hon. Member for City of York (Mr. Bayley), given when a clause of the Welfare Reform and Pensions Bill that is designed to give the Revenue access to information was debated in Standing Committee. The Under-Secretary said to my hon. Friend the Member for Brentwood and Ongar (Mr. Pickles):

"the clause will be used as a last resort, after all attempts to get information from other sources have failed, to enable the CSA to check tax records in the interests of the children."—[*Official Report, Standing Committee D*, 27 April 1999; c. 1000.]

When did a last resort become a first resort? How is the Secretary of State's announcement today compatible with the assurance given by his colleague to the Standing Committee a few months ago?

Yes, the CSA needs reform. Yes, more money needs to go to children. Yes, we accept that the current arrangements are not working. However, we need to know more about who gains and who loses. We need to know why Ministers will not use civil remedies more effectively. We need assurances about Inland Revenue access to information. The principle of the CSA is absolutely right; what has gone wrong is the practice, and that is where further reform is needed. It is pity that it will take Ministers four years to do anything about it.

Mr. Darling: I congratulate the hon. Gentleman on his appointment as shadow Secretary of State. I believe that this is his first time out. I am grateful for his acknowledgement that I let him read the White Paper, although that is perfectly normal practice.

The hon. Gentleman expressed three concerns, but what struck me was that only towards the end of his remarks did he mention children. If there is rough justice in the present system, it is that 66 per cent. of children do not get everything that is due to them. The reforms that we are introducing today are designed to ensure that an assessment is not theoretical but realistic, and that the child sees the money to which he or she is entitled.

The hon. Gentleman mentioned that we are not taking into account the income of the parent with care. I point out that 96 per cent. of parents with care have an income of less than £100 a week, so that will not be a widespread problem. We are ensuring that the formula, which takes into account the children in first and second families, is simple and fair. The more complex the system becomes—as more and more disregards and other considerations are brought in—the further we shall slip back into the mire that bogs down the CSA at present. If the hon. Gentleman

is saying that we ought to have more exceptions to the general simple formula, he must accept that every added complexity will mean that it will take more time and be more difficult to get money to the children.

The hon. Gentleman also complained about penalties. There is nothing wrong in saying that there ought to be a criminal sanction for people who lie to the CSA, misrepresent their circumstances and give the agency the run-around. Those people are not cheating the Government or the agency—they are cheating their children. In any decent, civilised society, people recognise that there ought to be a deterrent and, if necessary, punishment for those who have obligations to society or to their children but who, at the end of the day, after every stone has been turned and every difficulty has been addressed, still insist on trying to avoid their responsibilities.

Most of those who have to deal with CSA cases know that there are mothers who are trying to bring up their children and, in the same town, the father is driving around in his Porsche, living the high life while his children are not being properly looked after. I make no apology whatsoever for taking the necessary action against the minority—I stress that they are a minority—of parents who insist on ducking their responsibilities.

I find it difficult to understand the hon. Gentleman's complaint about us allowing access to the Inland Revenue in cases where people will not tell us how much they earn, or where we have good reason to believe that they are not telling us the truth. If we do not take action, the state will have to support the children of people who are perfectly capable of doing that themselves. The Conservatives used to believe that that was wrong, but they are more concerned about protecting the interests of people who want to hide their affairs from their own children than they are about the children themselves. I simply do not accept the hon. Gentleman's complaint. Using the access to the Inland Revenue is, of course, an action that we shall take when every other option has been exhausted, but I disagree with the Conservatives' proposition that we should not allow access to the Inland Revenue so that we can find out the truth about those matters.

Finally, the hon. Gentleman complained about the time that the reforms will take. The Conservatives had six years to sort out the CSA, and they did not do so. We have tackled the problems and we are making improvements. The hon. Gentleman asked whether the CSA's performance is improving. If he reads the departmental report, which will be published later this month, he will find that the CSA has improved in a number of respects, although it has a long way to go before it provides an acceptable service. As I said in my statement, I do not believe it will be fully acceptable until we get rid of the complex formula that it must operate at present. However, the agency is making improvements and things are getting better.

These reforms will be introduced in a way that is manageable. The hon. Gentleman was trying to urge us to repeat the same mistakes that his Government made in 1993. We shall not do that. I want the agency to work because, above all, I want children to get the money and support to which they are entitled.

Mr. Frank Field (Birkenhead): I want to give the warmest welcome to my right hon. Friend's statement and I hazard a guess that 1 million or so children may well, in time, also thank him. More immediately, taxpayers, who have to foot a bill of 5p on the standard rate of tax to pay for the shambles that the Government inherited from the Conservatives, will also thank my right hon. Friend for his statement.

Will my right hon. Friend consider two modest reforms? Because the Government are rightly taking their time and not rushing, and thereby risking getting things wrong, and because the Welfare Reform and Pensions Bill is due to return to the House, will he consider taking powers to intervene and stop the clock in exceptional cases when the rules are operating in a weird and mad fashion that will lead to the destruction of the second family? Secondly, given that it is so crucial that the reforms succeed, as if they do not we shall have to give up thinking about child support, will he consider asking the Revenue to collect the money? It is after all its culture to do so, and not that of the Department of Social Security, which is good at paying out money.

Mr. Darling: I am grateful to my right hon. Friend for his general welcome for our proposals. He raised two specific points. Although this is the first time that he has raised the point, I can see some difficulty in giving the Secretary of State power to intervene when something is wrong. Unless that is a general power to allow me or my successors to intervene in every case—which would mean that I would have to look at every case, which I will not volunteer to do—it might be difficult to operate the system satisfactorily. However, I will reflect on what he says.

Although the Inland Revenue has its problems like any other organisation, it works well. It certainly would not welcome—we should not consider it lightly—the requirement to collect information on 1 million quite difficult cases. At the moment, we have one organisation that works well and one that does not. There is a risk that we would end up with one organisation that does not work at all. I would be reluctant to go down such a route, which is why we excluded using the Inland Revenue. It is working well; we should let it get on with what it does. The key to success is to ensure that we reform the CSA so that it does a far better job collecting money on the one hand and paying it out to parents with care on the other.

Mr. David Rendel (Newbury): The Secretary of State will not be surprised to learn that we on the Liberal Democrat Benches are disappointed that he has not introduced a system that can deal with each case individually. Only such a system can be seen to be entirely fair. Only when one has an entirely fair system will judgments be accepted and people be free to pay up quite generously.

We welcome several things in the White Paper, including giving access to tax records, which was a sensible move to make. I am surprised that the Conservatives object to it. The better shared care arrangements are also welcome, as is the fact that people will be allowed to keep maintenance if they receive the working families tax credit. That and the £10 disregard on income support must be good for children—and we welcome anything that is good for children. We also welcome the fact that he has not changed or narrowed the definition of good cause, which we were slightly concerned he might.

[Mr. David Rendel]

However, several things are not welcome, about which I should like to ask the Secretary of State. He surely must agree that imprisoning or confiscating the driving licences of non-resident parents can only hinder their opportunities to provide an income for their children, or share in their care, which is also very important. Will he reconsider that move?

Secondly, does he agree that the fines for late payment, which I understand go purely to the Treasury, should at least partly be offered to the family with care, who will have also suffered from the non-resident parent's late payments? Thirdly, will he tell us a little more about the powers and the tasks that he will ask the private sector to introduce? What accountability will there be? He did not say very much about that in his statement.

Fourthly, what assurance will he give that the information technology that he will introduce will work any better than that surrounding the fiascos of the new passport system, the new national insurance system and the system in post offices? Fifthly, what will the ombudsman be able to do about cases that are dealt with over the phone? It is my understanding that, at present, the ombudsman cannot consider phone calls as part of the evidence that he is prepared to take into account. If so much more is to be done by the CSA over the phone, the Secretary of State will have to address such a problem.

It is rumoured in the press that travel-to-work costs will now be properly taken into account. It is important that we should know a bit more about that.

Finally, why has the Secretary of State decided to shorten the time before the benefit penalties kick in? There are some very good cases where time is needed for the women concerned to come up with the relevant evidence. I should like to know a little bit more about that.

Mr. Darling: I shall deal with all the points that the hon. Gentleman mentioned, although when he refers to "we on the Liberal Benches" I think that he uses the word "we" rather loosely. The others, presumably, are away on the leadership campaign. He has been left a somewhat lonely figure on the Benches. *[Interruption.]* Well, his seconder is there, so he is all right; his deposit is safe if nothing else.

Let me deal with the points that the hon. Gentleman raised. I know that it is his view, if not necessarily that of the entire Liberal Democrat party, that the CSA should be wound up and that we should return to the court system—because that is the only way, I suppose, that every case can be considered individually. Under the new system, the people who are required to use the Child Support Agency are those on income support and those on income-related jobseeker's allowance. Others will be able to use the courts; they will be able to opt into the CSA if they want to, but in many cases the courts will reach settlements that determine how much maintenance is paid.

However, it would not be possible to burden the courts with about 1 million cases without severe consequences to the entire justice system. Many of the children would be pensioners by the time that their maintenance was calculated. The court system could not cope 20 years ago and it would not be able to cope now. I believe that the hon. Gentleman is the only one who is actively advocating that course; I do not accept that argument.

The hon. Gentleman raised several detailed points. I believe that he opposes the stiffer penalties—including, possibly, imprisonment or fines—for people who persistently refuse to co-operate. That is not a new prospect. Such penalties are imposed in many cases in the criminal law. Of course, in such criminal cases one does not imprison or fine people at once, but when someone persistently refuses to co-operate, or lies to the Child Support Agency with a view to preventing money going to their children, there comes a point when we must say, "Enough is enough. The sanction will be visited upon you." Whether it is a fine or imprisonment is a matter for the courts. There is nothing new in that. Most people find it extraordinary that those powers do not already exist.

The hon. Gentleman asked about the private sector. As far as accountability is concerned, the chief executive of the CSA is responsible to me for everything that happens in the CSA, including anything that may be done on our behalf by private sector partners. We want to improve the way in which the CSA operates. Let me take an example. At the moment, the agency's record of collecting maintenance that is due is not very good. Instead of going to someone who owes tens of pounds, we wait until they owe us thousands of pounds, when it is much more difficult to get the money from them. Banks in this country and elsewhere have experience of far more effective collection of sums due. We should use that expertise.

The hon. Gentleman asked about IT. I readily agree that the Government's record on IT—I do not wish to make a political point, as we have as many problems as the previous Government had—has led us to believe that one should be very cautious before saying that a new computer system will work from day one. I am determined to ensure that before we start the new system, we know that the IT systems work, because much depends on that. I will ensure that that happens, but we now have funding to replace the IT system in the CSA and elsewhere in the DSS, and we intend to ensure that we get the maximum benefit from it.

I shall look at the powers that the hon. Gentleman mentions in relation to the ombudsman.

More and more work throughout the DSS, not just the CSA, will be done by phone in future. It is far more effective, far more accurate and far better for customers.

The costs of travel to work will not be taken into account. Under the new system, the absent father will pay 15 per cent., 20 per cent. or 25 per cent. of his take-home pay, depending on the number of children. We are moving away from all the exceptions and disregards in the previous system, because they were what bogged it down.

The hon. Gentleman asked about the cooling off period in relation to a good cause. We are not changing the definition of good cause. Parents will still be able to show that there are reasons why a father should not be pursued. The cooling off period has been shortened to four weeks, but it can be extended if there is good reason for doing so.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I hope that we can now step up the pace, otherwise many right hon. and hon. Members will be disappointed. Let us have brief questions, please.

Mr. Malcolm Wicks (Croydon, North): In terms of responsibility for this mess, the figure of the absent parent

has now been joined by the absent-minded shadow Minister, given his version of history. However, this is a serious matter. Hundreds of thousands of children in Britain will spend all or some of their childhood away from one parent. It is my guess that family insecurity is now—[HON. MEMBERS: "Get to the question."] I will get to the question. Family insecurity is probably as much a cause of poverty as economic insecurity.

Does my right hon. Friend agree that however we reform the process—I warmly welcome what he is saying today, not least about maintenance disregard for lone mothers—we need to win the public debate? We need to convince our people, including children at school, that if someone has a child, the child is for life, and that the financial maintenance of that child is the parent's responsibility. Will my right hon. Friend put some effort into winning the public debate as well as reforming the system?

Mr. Darling: I wholeheartedly agree with my hon. Friend. It is important that the culture is changed throughout the country. People, especially young people, must realise that if they help bring a child into this world, they are responsible for that child's well-being for the rest of that child's life. People must realise that that is a very important principle, and that is why we are introducing reforms. It would not be right to take the place of absent parents, but we can make sure that they fulfil their entire responsibilities.

Miss Julie Kirkbride (Bromsgrove): The Secretary of State has set out many interesting changes but has put very little flesh on the bones in terms of who will be affected by these changes. Will he tell us how many parents with care responsibilities—they are mainly women—will receive less money every week as a result of the absent parent's having a reduced maintenance liability? Will he tell us also how many in the present case list he thinks might qualify to be the errant fathers whom he has described, who may find themselves criminals as a result of the proposed changes?

Mr. Darling: As I understood it, the shadow spokesman said that he welcomed the principle of what we are doing. Clearly he does not carry the whole of the Opposition with him on that.

The point of the reforms is to ensure that children benefit. The difficulty now is that many assessments are made but the money is not paid. About 40 per cent. of assessments are not paid in full. We are making changes to ensure that although in some instances the notional assessment is reduced, the amount of money that a mother receives is increased.

Mr. Chris Pond (Gravesham): I very much welcome my right hon. Friend's statement. Many of my constituents, whose lives have been destroyed by the inadequacies and inefficiencies of the current system, will also welcome what he has to say. They will certainly welcome the disregard on the working families tax credit. It is important that we ensure that those parents on low incomes receive help.

Will my right hon. Friend ensure that in promoting his proposals he will propose others to encourage parenthood and family life? I have in mind particularly the Government's policy on parental leave, which many of us would like to see paid. What plans does my right hon. Friend have to deal with shared care between the parents? I know that this is something that the Government wish to promote.

Mr. Darling: I am grateful to my hon. Friend for his welcome for my statement. He is right to say that the changes that I have announced today are not the only matters that we should consider. The directive on parental leave is also an important part of ensuring that parents can spend more time with their children.

My hon. Friend asked about shared care, which we want to encourage. We are making arrangements to ensure that if a child stays with another parent for one night a week, the amount of maintenance payable will be abated by one seventh—by two sevenths for two nights, and so on. That will avoid getting into ridiculous arguments with the agency about who was where on a Saturday night. We are banding days. Maintenance will be reduced by one seventh if a child stayed with the non-resident parent for between 52 and 103 nights, and so on further up the scale.

Secondly, we are ensuring that where there is equality of care, maintenance is still payable so that there is not a disincentive to enter into that arrangement. At the same time, there will be a reduction in the amount of maintenance paid by the absent parent, which is roughly equivalent to about half child benefit.

Mr. Peter Brooke (Cities of London and Westminster): How many cases of access to the Inland Revenue as a last resort is the Secretary of State expecting?

Mr. Darling: That depends on how difficult people are. In an ideal world, there would be none. Unfortunately, some people are so determined not to pay what is due to their children—sometimes for wholly extraneous reasons and as part of another battle that they are fighting—that they will not co-operate. I find it extraordinary that Conservatives seem to be united in the belief that it is important to keep a person's affairs with the Inland Revenue away from another part of government that is simply trying to help that person's children and to avoid a situation in which the taxpayer, instead of the individual who has that responsibility, is paying to support the children.

Ms Joan Walley (Stoke-on-Trent, North): I welcome my right hon. Friend's proposals. Many people have long wanted a straightforward formula. Given the time that it will take to implement the proposals, what attention will my right hon. Friend give to transitional arrangements? As part of the changes to the CSA, will he make it possible for fathers to have a named child support officer to help them sort out what they must pay, so that they can do what is right by their children?

Mr. Darling: My hon. Friend makes an important point. It is a matter of regret that it will take time to make the changes. Unfortunately, we could do nothing without changing the legislation, and there will have to be changes to the IT and so on. We are making changes in the meantime, and some of them will start next week.

We are bringing in more staff. Some 600 staff will be allocated to face-to-face interviews, which I think is what my hon. Friend has in mind. I have constituency cases in

[Mr. Darling]

which a parent cannot make head or tail of what has happened. Such parents will be able to sit down with a member of the agency's staff, go through the documents line by line and try to reach a resolution. We are also bringing some of the best people from the Inland Revenue and the Contributions Agency into the Child Support Agency, because the middle management of that agency needs to be tightened up. It is a relatively new agency and it lacks expertise in several areas. Those are some of the improvements that will be made. We also want people to make better use of the telephone.

I certainly agree with my hon. Friend that it should be possible to ensure that an individual deals with one member of staff. It is entirely consistent with our philosophy for the ONE service agency that we launched this week that someone has a named member of staff to whom to go, to avoid the situation that is common in various organisations, where members of the public speak to someone on the telephone who has no recollection of ever having spoken to them previously. That must stop.

Mr. Roy Beggs (East Antrim): I welcome the changes. Many of us have sympathy with office staff who have been engaged hitherto, and we welcome the additional funding and support that will be given to the CSA. I welcome the fact that children are being put first; that abandoned mothers will be supported; and that fathers, especially those from Northern Ireland who skip over to Great Britain and sometimes to the continent to avoid all responsibility, will be pursued.

Will the Secretary of State give us an assurance that when fraud is identified in the father's case from false returns—or in the case of the caring mother who is exploiting the situation—no expense will be spared, and the matter will not be pushed aside and written off because a prosecution would involve court costs? It is important to give confidence and to insist that the whole truth is presented by both parties to such disputes.

Mr. Darling: The hon. Gentleman can rest assured that where there is fraud, the agency will take prompt action. One of our problems is that more than 90 per cent. of the agency's time and effort goes into calculating liability, and only 10 per cent. into enforcement. Because the new formula will be simpler, more staff will be available to deal with cases such as those to which the hon. Gentleman referred. We will take powers to ensure that where someone has, for example, deliberately diverted his income to avoid his liabilities, that can be looked into, and if necessary referred to a tribunal to determine the matter. We want to ensure that every single child gets what he or she is entitled to—the right amount from his or her parent who, after all, has not just a moral but a legal obligation to look after his or her children.

Ms Dari Taylor (Stockton, South): I warmly welcome my right hon. Friend's statement. Does he accept that threatening criminal charges and defining a criminal offence will make it less likely that men will want to cheat the system? Only a small number want to do so, but even that can cause serious problems. So that I can be comfortable with his remarks about a simple formula for identifying commitment, will he outline that formula once again? I am concerned about wives in second families. Will their income, which is often—although not always—included in assessments, be included in the new assessments and the new formula defining commitment from fathers?

Mr. Darling: No, that income will not be taken into account, as I told the hon. Member for Havant (Mr. Willetts); he was not paying attention, which is why he was uncertain about it. The object of the exercise is to make the formula as simple as possible. The net income—the take-home pay—of the absent parent will be taken into account. We want to keep the departures and the exceptions to the absolute minimum, otherwise we will be back in the trouble that we were in in the first place.

We will take children in a second family into account. Relationships may end, perhaps leaving a couple of children, and the father or the mother may go into a new relationship and have another child. It is right to take all those children into account, and we will do that, but I repeat that we want to keep the system as simple as possible. I agree with my hon. Friend's point about deterrence. I find it quite extraordinary that Conservative Members do not understand that, throughout the criminal system, the principle of deterrence is very important and actually works.

Mr. David Curry (Skipton and Ripon): Although many parents want to evade their responsibilities, many others want only to find out where they stand within a reasonable time. My constituents have to deal with Belfast. It is difficult to get through on the phone and difficult to find the same person answering successive queries. Callers often get different stories from different people and years can elapse before matters are settled. Circumstances can change, which is not taken into account. If more reliance is to be placed on the telephone, will the Secretary of State ensure that people are able to gain rapid access to a known person who will always be at the end of the phone when necessary so that matters can be settled within a reasonable time?

Mr. Darling: I agree with almost everything the right hon. Gentleman has said, which is why we are changing the system. The problem just now is that the calculation is so complex that it is difficult for parents to understand how on earth the end result was reached. We all have constituents who have come to us with problems and we cannot work out what on earth the agency has done. That is why we are simplifying the whole process.

An advantage of the new system is that parents will be able to get a statement similar to a bank statement so that they can see what they have paid and what they are due. That is important. What is more, by being able to do those things quickly, we will avoid the build-up of huge levels of arrears, which lead to all sorts of difficulties.

We are investing £28 million more to improve the staff and staff retention. The CSA loses far too many staff and the result is that it is not common for the same person to deal with a case. The new money will help to address that problem. I agree with the right hon. Gentleman that we need to make far more use of the phone. With new technology, which banks now use, it is quite easy to ensure that calls coming in through a call centre are referred to the person dealing with a case. We are making those improvements. They will take time, but I hope that, by the time that we introduce the new system, the CSA

will be well on the way to becoming the sort of organisation that is taken for granted in almost every other sector.

Mr. Paul Goggins (Wythenshawe and Sale, East): I welcome the emphasis placed by my right hon. Friend on tackling child poverty. What estimate has he made of the number of children and families who will be better off as a result of the introduction of the disregards on income support and the working families tax credit?

Mr. Darling: We estimate that, overall, about 1 million children will be better off. We think that about 250,000 will be better off as a result of the disregard. Others will be better off as a result of the working families tax credit. Overall, the effect of everything we are doing will mean that more and more children gain. About 120,000 will gain through the working families tax credit. Others will gain because the current cash compliance is some 60 per cent.; we think that we can raise it to 80 per cent., which will mean that 300,000 children will get what they are due.

Mr. Charles Wardle (Bexhill and Battle): The theory of the right hon. Gentleman's statement will be welcomed, but is not one of the pitfalls for the CSA the huge backlog of cases in which arrears are in dispute? How will that backlog be cleared, and will the new formula apply retrospectively to cases in that backlog?

Mr. Darling: No, the new formula will apply to new cases. It would be very difficult to apply it retrospectively, because all sorts of repayments would have to be made to people and that would almost guarantee that the new system collapsed within a few days of opening. Thus the new system applies to new cases. We shall then transfer existing cases to the new system in phases, once we are satisfied that the system is fully operational.

With regard to the hon. Gentleman's general point about the backlog, we shall continue to pursue cases where maintenance is due, because it would be wrong to write off payments that people should have made to their children.

Mr. Peter L. Pike (Burnley): Is it not important to recognise that there will be losers as well as gainers as a result of my right hon. Friend's proposal? The message that we must spell out is that the new system will be fairer, more workable and more acceptable. May I urge my right hon. Friend to consider the possibilities of carry-over legislation? Might not this be an appropriate Bill to introduce sooner, so that the proposals can be implemented a few months earlier than if we had to wait for the new parliamentary Session?

Mr. Darling: On the latter point, my hon. Friend will be aware that virtually all my colleagues have a long list of Bills that they would like introduced under the new carry-over system. I hope that we can do more through that system because we could get a lot more legislation through the House, especially where there is broad agreement.

On the other point that my hon. Friend makes, it is important to bear it in mind that when a system is introduced that has a simpler formula, there will inevitably be cases where the amount to be paid, which may be a theoretical amount, is less than at present. However, because of the changes, more cash will flow through the system and into the hands of the children. That is the advantage of the new system, which is why most people welcome what we are trying to do.

Mrs. Jacqui Lait (Beckenham): I certainly want the children to be the winners when it comes to maintenance, but does the right hon. Gentleman accept that given that there will be winners and losers among those who pay, under the new system cases that are currently settled would need to be backdated to the date at which the new cases are being settled? Will not there be a delay between new cases coming on board under the new system and old cases being referred? Can he assure the House that the old cases will pay from the date of introduction of the new legislation and that the amount to be paid will be recalculated?

Mr. Darling: If I understand the hon. Lady correctly, she is asking whether somebody who transfers two years after the new system comes in will have his assessment backdated. I do not think that that would be possible. What I am desperate to avoid—I think that there is sympathy from some Conservative Members on this—is burdening the system as the CSA was burdened in 1993, with the result that it stopped working almost before it got going. I understand that many people who are currently toiling with the CSA, who want the system to work better, cannot wait for the new system to come in. We all share that sentiment, but if we try to rush it before the CSA is operating properly and without the new IT, and if we burden the CSA unduly, the system will collapse again. That would be good for nobody. The hon. Lady and I share the same view: we must be concerned about the children. If the CSA collapses, the losers will be the children, not us. That is why I want to phase in the new system and to make sure that it works.

Mrs. Anne Campbell (Cambridge): I warmly welcome my right hon. Friend's statement. Is he as astonished as I have been to hear not a hint of apology from the Opposition for the shambles that was left behind and the thousands of lives that have been ruined by the legislation as they left it?

In the case of an absent parent who has abandoned more than one family, how will the available finance be shared between those families?

Mr. Darling: If an absent parent had two separate children in different family units his liability would be 20 per cent., and it would divided between the two children. On my hon. Friend's first point, she may be astonished, but I am not.

Sir David Madel (South-West Bedfordshire): Will the Secretary of State confirm that, if there is a large second family, there will be flexibility in respect of what the father pays? If MPs have reason to believe that the CSA is acting carelessly or unreasonably, we should have the power to tell it to put a stop on the deduction of earnings order while the matter is carefully investigated. I am not asking for widespread cancellations: merely for a pause while the work is thoroughly and carefully carried out.

[Sir David Madel]

I have just stopped the CSA demanding £10,000 from a constituent. He had already paid £8,500, but it took God knows what to get that across to the agency.

Mr. Darling: That case shows why we need to improve the administration of the CSA. No one should be allowed to run up such debts before anything happens. I have also come across such cases. I am not sure that I would agree with the hon. Gentleman that MPs should be given statutory powers to stop administrative action. That would have ramifications for other parts of government. It is tempting, but I am not sure that we would want such powers, because it would lay us open to a great deal of pressure.

I am determined to ensure that such problems are less likely to arise under the new system. The CSA has been told to develop a close working relationship with Members of Parliament—as the Benefits Agency does—so that if such problems arise they can be dealt with quickly. That is what MPs are there to do: if there is an injustice because of something that the Government are doing, MPs should be able to speak to the local agency to try to resolve matters. If an MP remains dissatisfied, he has every right to take the matter up with the appropriate Minister in my Department or with me.

Mr. Gordon Prentice (Pendle): We inherited a dreadful mess, and I understand why my right hon. Friend wants to proceed slowly. Will he tell us when all existing cases will transfer to the new system? I suspect that many people who read the newspapers tomorrow will think that these changes, of which I approve, will affect their lives sooner rather than later, whereas they will happen four, five or perhaps six years down the line.

Mr. Darling: My hon. Friend makes a good point. To be blunt about it, these changes will not happen until towards the end of 2001 at the earliest. It is not possible to get the legislation through the House: even if there were all-party agreement, it would take some time. We must install the computer equipment, and we must make a number of changes within the CSA. I do not want to raise people's expectations falsely.

I have made it clear that the first people to be transferred will be the new cases. I then want, as quickly as is prudent, to transfer the existing case load on to the new CSA. As some people will see a difference in their assessment, we will allow their payments to be phased in. If someone's assessment has changed dramatically, it would be wrong to make him pay a massively increased amount the following day. Steps set out in the White Paper will allow those payments to be phased.

I want the changeover to be as smooth as possible, and to move at whatever speed is consistent with that. Despite people's frustrations about the system, they would not forgive us if we rushed it as happened in 1993, and to a certain extent in 1995, with the inevitable result that the whole system fell apart.

Mr. David Lidington (Aylesbury): Does the Secretary of State agree that one of the difficulties has been the inadequacy of civil court recovery procedures to get hold of the money that the agency has been seeking? Does he have any specific proposals to strengthen or alter the recovery procedures of the civil courts, so that the agency will find it easier in the future to get hold of that money on behalf of children?

Mr. Darling: The agency has numerous remedies. The difficulty is that it does not always exercise them.

Mr. Willetts: Oh, absolutely.

Mr. Darling: The hon. Gentleman from a sedentary position says, "Oh, absolutely". What on earth was he doing during the last six years of the Conservative Government? They had six years to sort this problem out, and it has yet again fallen to us to do so. We are sorting it out by diverting more staff to enforcing payments, so that we avoid the problem of money that we know is due not being collected.

We are not waiting for new legislation in order to do that. As I told the hon. Member for Newbury (Mr. Rendel), we are bringing in private sector expertise next week to ensure that we are as efficient as, for instance, banks in identifying customers who owe us tens of pounds rather than thousands of pounds. If we cannot persuade people to pay what is due voluntarily, we shall then be able to enforce the remedies that we have at our disposal.

Ms Jenny Jones (Wolverhampton, South-West): I, too, welcome these much-needed reforms. Can my right hon. Friend confirm that, as part of his proposed reform of the culture of the CSA, staff will be trained—or retrained—in effective communication skills? There is a danger that these good reforms will be weakened if staff cannot communicate properly with the public.

Mr. Darling: I can give my hon. Friend that assurance. I also want to try to slow down the rather large turnover. Many of our best people, having been trained, then leave—to the benefit of, usually, the financial services industry. We want to try to keep our good-quality staff.

I believe that, if we achieve the change in culture, the CSA will be a much more attractive place in which to work. Many of our staff have to put up with quite difficult people, and, through no fault of their own, have to operate systems that do not work. I agree, however, that it is important for us to employ good-quality staff who can communicate with the public.

Mr. Eric Pickles (Brentwood and Ongar): The Green Paper rightly emphasised the need to protect the children of second families. There is no point in impoverishing one set of children at the expense of another. The paper set out two methods of calculation. One method involved the netting of income according to the number of children in the second family, while the other involved the netting of income according to the combined number of the two sets of children. Did the Government finally decide which calculation was the more reasonable?

Mr. Darling: Yes, we did. Our conclusion is set out in the White Paper. We decided on the first option. When a person has a second family, we take the children of the second family into account. We deduct the same percentage as we would for the other set of children. For

example, if someone has two children in the first family and three in the second, we take 20 per cent. of that person's net income for the first family and then, off the balance, 25 per cent., which is then given in respect of the other three children.

The tables in the annexe to the White Paper make it very easy to calculate exactly how much people will have to pay, and how much the deductions are for first and second families. The White Paper is well worth a read.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. We must move on. I suspect that hon. Members will have other opportunities to pursue this matter.

Business of the House

1.33 pm

The President of the Council and Leader of the House of Commons (Mrs. Margaret Beckett): I should like to make a statement about the business for next week.

MONDAY 5 JULY—Progress on remaining stages of the Finance Bill.

TUESDAY 6 JULY—Conclusion of remaining stages of the Finance Bill.

WEDNESDAY 7 JULY—Until 2 o'clock, there will be debates on the motion for the Adjournment of the House.

Opposition Day [17th Allotted Day].

Until about 7 o'clock, there will be a debate described by the Opposition as "Crisis in the dairy industry", followed by a debate entitled "Choice and diversity in education". Both debates will arise on Opposition motions.

THURSDAY 8 JULY—Remaining stages of the Youth Justice and Criminal Evidence Bill *[Lords]*.

FRIDAY 9 JULY—The House will not be sitting.

As I am sure the House will understand, some uncertainty remains about the business for the week commencing 12 July. The business will, however, include:

MONDAY 12 JULY—Estimates day [2nd Allotted Day].

There will be a debate on the office of Her Majesty's Chief Inspector of schools in England, followed by a debate on transport policy. Details will be given in the *Official Report*.

At 10 o'clock the House will be asked to agree all outstanding estimates.

FRIDAY 16 JULY—There will be a debate on the policing of London on a motion for the Adjournment of the House.

The House will also wish to be reminded that on Wednesday 7 July, there will be a debate on the 2000 Preliminary Draft Budget Overview and the Agenda 2000 inter-institutional agreement. That debate will be in European Standing Committee B. Details of the relevant documents will be given in the *Official Report*.

[*Wednesday 7 July 1999:*

European Standing Committee B—Relevant European Union documents: SEC(99) 600: 2000 Preliminary Draft Budget; COM(99) 200: 2000 Preliminary Draft Budget; 7698/99: Agenda 2000: Institutional Agreement. Relevant European Scrutiny Committee reports: HC 34-xxi and xxiv (1998-99).]

The House will also wish to know that, subject to the progress of business—which is clearly an important factor at this time—it will be proposed that the House should rise for the summer recess at the end of business on Tuesday 27 July, and return on Tuesday 19 October.

Sir George Young (North-West Hampshire): I thank the right hon. Lady for next week's business and a framework for business for the following week.

The right hon. Lady will have heard of the sad death of one of her predecessors as Leader of the House: Lord Whitelaw. We all send our sympathy to Lady Whitelaw and the family. Willie Whitelaw was a brave, loyal, decent, wise and honourable man. His popularity and the respect in which he was held went way beyond my party:

[Sir George Young]

it extended to all parts of the House and, indeed, to the wider public, who liked and trusted him and who will miss him, as we do.

We understand all the difficulties about Northern Ireland. I assume that that is the uncertainty to which the right hon. Lady referred in relation to the week after next, but what arrangements has she in mind to keep the House informed about the important discussions that have been and, indeed, still are taking place?

The right hon. Lady announced a debate on the dairy industry. Would not that debate be informed by the publication of the Milk Marque report, which has been available for some time? As she will have heard, there is growing frustration at its non-publication. Will she seek to make it available before that debate?

The Select Committee on Standards and Privileges reported on the premature disclosure of the Select Committee on Foreign Affairs report and recommended that an hon. Member should be suspended. When will the House debate that report and recommendation? Will the Foreign Secretary, whose arguments were rejected by the Committee, take part in that debate to address what was said about him, his advisers and civil servants?

Will the right hon. Lady confirm that, before the House rises, we shall have a debate on economic matters, and that the much postponed debate on the royal commission on long-term care will also take place before then?

We are grateful to the right hon. Lady for the dates of the summer recess, but when will she be able to announce the date of the state opening?

Mrs. Beckett: I join the right hon. Gentleman and Members on both sides of the House in asking for our sympathy to be conveyed to Lady Whitelaw. Lord Whitelaw was liked, respected and admired in all quarters of the House. He was a most distinguished Leader of the House—that was only part of a distinguished career. I am certain that he will be widely missed throughout the House.

The right hon. Gentleman is entirely right: the uncertainty to which I referred is events in Ireland, where we cannot clearly anticipate what the needs of the House may be. I am not able to give him any more firm information at present. The Government are, of course, mindful of the need to keep the House informed and we will do our utmost to do so. Any arrangements involved will be discussed through the usual channels.

The right hon. Gentleman asked me to ensure the release of the former Monopolies and Mergers Commission report on milk marketing. He will have heard what my right hon. Friend the Deputy Prime Minister said yesterday. He has already drawn the interest in the matter to the attention of my right hon. Friend the Secretary of State for Trade and Industry. I will also do so. However, the right hon. Gentleman will know that these matters are complex and difficult, and that it is only right that the report should be published when proper consideration of its recommendations has been undertaken.

The right hon. Gentleman asked me when the report of the Select Committee on Standards and Privileges would be discussed. A motion will be tabled at the appropriate time, in accordance with the terms of the Committee's recommendations. I cannot give him a time for that at this moment, but I assure him that we are looking for such a time.

The right hon. Gentleman asked me to confirm that there would be a debate on economic matters. I certainly hope to be able to secure one before the recess. I cannot undertake to find time for a debate on long-term care before the summer recess, but I do not rule it out later in the Session.

Mr. Ted Rowlands (Merthyr Tydfil and Rhymney): I associate myself fully with the remarks about Willie Whitelaw. He was a great parliamentarian and a great believer in this place above all.

I remind my right hon. Friend that today is the day of the transfer of functions to both the Scottish Parliament and the National Assembly for Wales. We have not had an opportunity to debate how we will handle business in the House of Commons relating to Wales and Scotland. There is an interim report by the Select Committee on Procedure. It is urgent that we debate it, so that the House can clarify hon. Members' position in relation to Welsh and Scottish business. Will my right hon. Friend therefore make time available as soon as possible, so that we may debate and come to a decision on those matters?

Mrs. Beckett: I am very aware of the interest that my right hon. Friend has long taken in these matters. We are, of course, aware of the Procedure Committee's report, but I cannot undertake to find time for a very early debate on it. As he will be aware, the situation is developing—the Scottish Parliament, for example, is being opened only today. The Government will respond to the Procedure Committee's report in due course, but I cannot find time in the immediate future for a debate on it.

Mr. Paul Tyler (North Cornwall): On behalf of my colleagues, I endorse what has been said about Willie Whitelaw—with whom, as a very new Member, I had the pleasure of working in the 1974 Parliament. I had the greatest respect for his talents in this place.

I also endorse the statement that we should have early information on the outcome of the MMC report on the milk retailing industry. May we have an undertaking that a Department of Trade and Industry Minister will participate in Wednesday's debate—so that, even if we do not have the Government's final determination, the Minister might at least hear the very real concerns of all hon. Members representing dairy farmers about the very long delay in reaching a decision?

I draw the attention of the Leader of the House to this morning's judgment in the case of the Department of Health *v.* Aldridge, concerning specialist cheese production. It raises some very important issues. Will the Secretary of State for Health come before the House to make an early statement on the role of the Food Safety Act 1990, and the emergency control orders deriving from it, in driving out—I do not exaggerate; that will happen if the situation is allowed to get out of control—some of the United Kingdom's most important specialist food producers?

Reports today state that the chaos in the passport office may have been caused partly by preparations to ensure 2000 compliance. If it is true that the millennium bug is part of the cause of the chaos, which is causing so much

misery to our constituents, will the right hon. Lady and her team please consider the matter urgently and make it the subject of an early report to the House?

Mrs. Beckett: I should first like to use this opportunity to reply to the final question asked by the right hon. Member for North-West Hampshire (Sir G. Young), on the date of the state opening. I cannot do so now, but hope to do so in the not too distant future. I shall do so as soon as I can.

I am pleased to hear the hon. Member for North Cornwall (Mr. Tyler) confirm what has been said on both sides of the House about the late Lord Whitelaw.

The hon. Gentleman asked whether a DTI Minister would participate in next Wednesday's debate. I cannot give him that undertaking. Although the report is a very important matter, the aspects of it that are for the DTI are on competition policy, not on other policy. However, as I told the right hon. Member for North-West Hampshire, I undertake to draw the concerns expressed to my right hon. Friend the Secretary of State for Trade and Industry and to ask him whether it would be possible for a DTI Minister to attend the debate. I cannot say now whether it will be possible to arrange that, as Ministers have many commitments.

The hon. Gentleman also asked me about cheese production. Although I am aware of the concern, as he rightly said the judgment has only just been given. I cannot anticipate whether my right hon. Friend the Secretary of State for Health will wish to make a statement on the matter, but I shall certainly draw the request to his attention.

Finally, the hon. Gentleman asked me—very understandably, after the press reports—whether there is any truth in suggestions that the problems in the passport office have some relationship with the millennium bug. I am assured that the millennium bug has no relationship to the problems at all. The new system was developed to introduce a more secure digital passport, and has no connection in any way, shape or form with the millennium bug. Indeed, the passport office has been processing dates beyond 2000 for many years—as hon. Members will readily appreciate when they realise that passports have a 10-year validity. Such reports are, therefore, yet another piece of scaremongering by people who should know better.

Mr. Tony McNulty (Harrow, East): I thank my right hon. Friend for announcing the annual debate on policing in London, which is to take place on 16 July. Although I know that she cannot control events, will she at least try to ensure that that Adjournment debate is not interrupted by a statement at 11 am, as such statements tend to get in the way of things on Fridays? Will she find out through the usual channels who will be speaking for the Conservatives, given that the shadow Home Secretary is from Kent and their London spokesperson is apparently from Oxfordshire?

Mrs. Beckett: I am happy to say that I have no responsibility for what the Conservatives choose to do about these matters, but I have no doubt that my hon. Friend's remarks will have been taken on board. I shall certainly bear in mind what he said about the need to avoid a statement during the debate on policing in London. I am well aware that hon. Members consider it to be an important debate for which they have long sought a suitable day. We are trying to avoid statements on Fridays, but my hon. Friend and the House will understand that it is not always possible. Indeed, sometimes it is for the convenience of the House.

Sir Peter Emery (East Devon): The right hon. Lady will know of my interest in the DTI response to the Milk Marque report. I do not apologise for returning to the issue as it is so vital to the dairy industry and agriculture in general. The right hon. Lady said that it was necessary for the Government to consider fully the MMC report. The normal process is that the Government are given 10 weeks to reach a decision and to report to the House. The report has been with the DTI for 18 weeks, and I believe that the House and the industry have the right to expect the report to be published before the debate next week. Will the right hon. Lady press that forward?

Mrs. Beckett: As I have said, I will draw the concern that has been expressed in the House to the attention of my right hon. Friend the Secretary of State for Trade and Industry, who has given a commitment that he will seek to publish the report before the summer recess. Whether he can publish it before next week, however, is another matter. The right hon. Gentleman says that it is normal process that such reports are published after 10 weeks. Having been the relevant Secretary of State, I am not aware of any such rule. Indeed, I inherited a substantial number of reports that had been around for a lot longer than that. Just before the general election, my predecessor informed me that a number of extraordinarily difficult and sensitive issues had been lying on his desk for a number of weeks, and that he proposed to leave them to his successor.

Mr. Paul Flynn (Newport, West): Does not today's news that the majority of the drugs that were donated to Kosovo refugees were either useless or lethal mean that we need an urgent debate on the subject? It follows the case of 11 pregnant Lithuanian women who were temporarily blinded by a drug that had been donated to their country. The instructions were in English only and the drug was intended for animals. Two hundred children in Haiti and Nigeria died after taking donated paracetamol which had been mixed with a toxic substance in the donor country. Should we not investigate the reasons why so many companies gain tax advantages by donating to charities overseas, and avoid the cost of disposing of useless and unwanted drugs in tips at home? Such companies are cynically dumping their problems on people in Kosovo and other third world areas in order to increase their profits.

Mrs. Beckett: I am aware of my hon. Friend's interest and concern in these matters. The whole House will share his anxiety about the reports that we have heard today. He has rightly identified the fact that the problem is widespread and complex, and does not necessarily involve the United Kingdom. Of course, that does not mean that it is not a matter than hon. Members might want to discuss and pursue, but I fear that I cannot undertake to find time for an early debate.

Mr. Peter Brooke (Cities of London and Westminster): Recalling the late Lord Whitelaw's

[Mr. Peter Brooke]

legendary charge about some politicians going around whipping up apathy, is it really in the Government's interest that their inactivity on long-term care should begin to seem like indecision?

Mrs. Beckett: Of course we are not inactive. My right hon. Friends are giving the most careful and thorough consideration to the far-reaching proposals from the royal commission. The right hon. Gentleman and the whole House would wish the Government to undertake such consideration before producing proposals and ideas for discussion. However, the right hon. Gentleman is right. The remark about stirring up apathy is only one of many memorable observations which we all recall with affection from Lord Whitelaw.

Mr. Ben Bradshaw (Exeter): Will my right hon. Friend find time next week for a debate on the Home Office's disgraceful decision to grant draconian new powers to the police to levy spot fines on cyclists, a decision taken without proper consultation and with no debate in the House? Is she aware that Home Office figures show cyclists to be a negligible risk to pedestrians in comparison with the risks posed to pedestrians and cyclists by illegal parking and bad driving? Does she agree that it would be quite unacceptable if the police were to spend valuable time and resources chasing children on bicycles while illegal parking and driving were widely ignored?

Mrs. Beckett: I sympathise with my hon. Friend's concern for cyclists, and I appreciate that responsible cyclists have a right to proper treatment by the police and by everyone else. However, my hon. Friend, as a keen defender of cyclists, will condemn those cyclists who are irresponsible and inconsiderate and who are a danger to others, including pedestrians. A public consultation exercise was held before the order was introduced, and a notice cannot be issued to anyone under 16. We hope that the provisions will improve public safety without causing greater disadvantage to cyclists.

Rev. Martin Smyth (Belfast, South): I, too, pay tribute to Lord Whitelaw. He was a genial man, and one of the few Cabinet Ministers prepared to apologise publicly for his mistakes, as we heard some time ago during a debate at a Conservative party conference.

Can the Leader of the House assure us that General John de Chastelain's reports will be published, and that hon. Members may have copies before any further debate is held on Northern Ireland? I ask for the reports in the light of an article in today's *Evening Standard*, which states that Sinead O'Connor, from whom I differ politically and theologically, has refused to appear at the West Belfast festival. She had intended to speak against victimisation and beatings, but her life has been threatened by the IRA. She has pulled out of the festival because she does not want to be a propagandist.

Mrs. Beckett: I am grateful for what the hon. Gentleman has said about Lord Whitelaw.

I take heed of the rest of what the hon. Gentleman said, and I shall draw to the attention of my right hon. Friend the Secretary of State for Northern Ireland his request for publication of General de Chastelain's report. We all hope that the difficult and delicate issues to which he has referred may be resolved later today.

Mr. Mike Gapes (Ilford, South): Will my right hon. Friend find time for a debate on institutional reform in the European Union, in which we might highlight links between the British Conservative party and the Italian neo-fascists? We could also raise the fact that a Conservative Commissioner has taken a post with a Spanish telecommunications company while still serving as a Commissioner. May we have an opportunity to impress on the institutions of the EU the need for integrity in public life?

Mrs. Beckett: I recognise my hon. Friend's long interest and expertise in European matters. I am aware of the embarrassing discussions held by the Conservatives in their attempts to find—somewhere in the European Parliament—a comfortable home that will satisfy the different wings of their party. They appear to have settled for being half in and half out of the European People's party, but I suspect that they will find that as uncomfortable as sitting on the fence usually is.

Whatever the origins or political party of the retiring Commissioner, the matter raised by my hon. Friend is a matter for the European authorities. I understand my hon. Friend's concern, and it may well be felt that there should be rules, such as those that apply here, about how such matters should be handled. If such steps are allowed by the contracts under which European Commissioners serve, as appears to be the case, my hon. Friend will be aware that those contracts were not negotiated by us.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy): When will the concordats between this place and the National Assembly for Wales be produced? The right hon. Lady referred to the opening of the Scottish Parliament today. The vesting powers have been transferred to the National Assembly for Wales, but they will be hampered because the concordats have not been produced. Nobody in this place or in the National Assembly for Wales has seen any of them. Without them, the place cannot function. When can we reasonably expect to debate this issue?

Mrs. Beckett: I cannot offer time for a debate on the issue in the near future. The hon. Gentleman is right to say that it is intended to produce concordats, and I will draw his wish for them to be produced speedily to the attention of my right hon. Friend the Secretary of State for Wales. Welsh questions will be held on Wednesday, and the hon. Gentleman may find an opportunity to raise the matter then.

Angela Smith (Basildon): Many of us welcomed the Government's announcement yesterday that they would provide more than £6 million to campaign against domestic violence and to tackle violence against women. However, may I press my right hon. Friend for an early debate on the issue of domestic violence? Throughout the country, a number of organisations that already provide services to women are facing financial difficulties, largely as a result of the withdrawal of funds by health authorities. Can we discuss this matter in the House to

look at how we can mesh together the new initiative "Living Without Fear" with the real problems that are facing our constituents and those organisations?

Mrs. Beckett: I am aware of the concerns raised by my hon. Friend, and the welcome that she has given for the document and for the proposals to support the helpline will be shared across the House. I fear that I cannot undertake to find time for a special debate on the matter in the near future, but my hon. Friend will know that there will be opportunities in various pre-recess debates where she may seek to raise the matter.

Sir Sydney Chapman (Chipping Barnet): The right hon. Lady will know that, earlier this week, an important and thought-provoking report was published—namely, the final report of the urban task force, chaired by Lord Rogers of Riverside, entitled "Towards an Urban Renaissance." As these issues raise vital matters of concern not only for people who live in cities and towns, but for those who live in the countryside, will the right hon. Lady look favourably upon an early opportunity—even if it is not before the summer recess—for a full-scale debate on this important issue?

Mrs. Beckett: It is one of the issues that I will bear in mind when I look at requests for future debates. I fear that I cannot undertake to find time for a full-scale debate on the matter in the near future. In fact, we had such a debate fairly recently, although I recognise that it perhaps preceded the publication of the report. The hon. Gentleman might consider talking to his right hon. Friends, who get Opposition time.

Mr. Gareth R. Thomas (Harrow, West): Will my right hon. Friend make time for an early debate on our progress in reforming the national lottery so that we can consider the launch today of the National Endowment for Science, Technology and the Arts—the excellent national fund for talent? Such a debate would allow the House to congratulate a three-way partnership of Harrow council, Harrow arts council and Harrow heritage trust on successfully completing phase 1 of a £1.75 million lottery bid to refurbish Headstone manor, a quite delightful 13th century moated manor house in my constituency.

Mrs. Beckett: I join my hon. Friend in welcoming the launch of NESTA, and I am delighted to hear of the successful moves in the Harrow partnership. It sounds like a delightful project, and I get the impression that my hon. Friend is extending a welcome to Members of Parliament to go and see what is being done. I fear that I cannot undertake to find time for a special debate on the matter in the near future, but I am confident that my hon. Friend will continue to use his ingenuity to raise the matter.

Mr. David Maclean (Penrith and The Border): On behalf of all my constituents and all the people of Cumbria, may I take this early opportunity to pay a tribute to my predecessor, Willie Whitelaw? I followed in his footsteps, but I do not think that any man could ever aspire to fill his shoes. Today, not only has his family lost a devoted family man, Cumbria its finest ambassador and the Conservative party a true and loyal friend, but the nation has lost a great statesman.

On a business point, will the right hon. Lady please consider holding a debate, at an early opportunity, on how we handle Scottish and Welsh matters?

Mrs. Beckett: No doubt, there will a number of opportunities to consider how we handle Scottish and Welsh matters. There is, of course, a report from the Procedure Committee, to which the Government are considering their response. I cannot undertake to find time for an early debate on the matter, but I shall lodge the right hon. Gentleman's request with others on the same issue.

Mr. James Gray (North Wiltshire): The right hon. Lady will remember that, during Prime Minister's Question Time yesterday, her right hon. Friend the Deputy Prime Minister responded to questions on the passport office from my right hon. Friend the Member for North-West Hampshire (Sir G. Young), the shadow Leader of the House. The Deputy Prime Minister said:

"Today's figures show that the queues are getting shorter."

He said later:

"I am assured that, by 11.30 this morning, the queues had been completely cleared."—[*Official Report*, 30 June 1999; Vol. 334, c. 341-42.]

Those two statements are demonstrably incorrect. Home Office officials advise that the number queueing has now reached a record high of 565,536 and rising. On television last night, the Home Secretary was shown touring the queues that, only a few hours earlier, his right hon. Friend said had completely disappeared.

In accordance with the code of practice for Ministers, has the Deputy Prime Minister asked the Leader of the House for time to make a personal statement apologising to the House and to the nation for those substantially misleading remarks?

Mrs. Beckett: I assume that the hon. Gentleman is simply making a point; I cannot believe that he is making a serious request. There may well be a simple, practical reason why queues have reappeared today: on hearing that the queues had substantially diminished, people may have been encouraged to come along to the passport office.

Mr. David Heath (Somerton and Frome): I am extremely grateful to the right hon. Lady's deputy, the Parliamentary Secretary, Privy Council Office, for telling me on Monday that he and the right hon. Lady carefully consider all early-day motions tabled during the week before delivering the business statement. Does the right hon. Lady recall having looked at early-day motion 455, on the Monopolies and Mergers Commission report on Milk Marque, which I tabled on 19 March?

[*That this House notes the extreme difficulties experienced by many in the dairy sector; further notes that these difficulties are being exacerbated by the delay in publication and failure to reach a decision on the outcome of the report of the Monopolies and Mergers Commission on the milk industry; believes that further indecision on the part of the Secretary of State for Trade and Industry is damaging the industry; regrets the entirely inadequate reply given by the Leader of the House on this subject to the honourable Member for North Cornwall on 18th March, Official Report, column 1264; and*

accordingly calls upon the Secretary of State to publish the report and to make a statement to the House forthwith.]

Did the right hon. Lady bring that early-day motion to the attention of the Secretary of State for Trade and Industry? As other hon. Members have pointed out, it is quite extraordinary that, four months later, we are still awaiting a response. It is not simply a dry matter of competition; it is a matter that affects all the dairy farmers in my constituency and all those working in milk-processing plants in my constituency, of which there are a great number. Will she give us an assurance that the report will be published before the summer recess, and that we will have a chance to discuss it on the Floor of the House?

Mrs. Beckett: No, I cannot give the hon. Gentleman either of those assurances. As I have already made plain, we have drawn to the attention of my right hon. Friend the Secretary of State for Trade and Industry the concerns that have been expressed. I can assure the hon. Gentleman that we are not saying that it is merely a matter of dry competition. Competition responsibilities are serious ones. The Secretary of State is required to act in a quasi judicial role; that means taking those responsibilities with extreme care and seriousness.

I do, of course, understand the concerns expressed by hon. Members on both sides of the House, and that they want the report to be published as soon as possible. However, the hon. Gentleman will realise that my right hon. Friend has statutory responsibilities in those matters.

Mr. Michael Fabricant (Lichfield): Before the next Government reshuffle, may we have a debate on the processes of government? Has the right hon. Lady had the chance to read the excellent article in today's *Evening Standard* entitled, "How Prescott and his team took transport for a spin"? Is she aware—or does she deny—that the advisers to the Deputy Prime Minister brief against the Prime Minister? Is she aware that the advisers to the Deputy Prime Minister refer to the Prime Minister's advisers as teenyboppers? Does she not think that, far from being joined-up Government, that is interdepartmental warfare of the worst and most destructive kind?

Mrs. Beckett: I am pleased to say that I have not seen the article to which the hon. Gentleman refers. As for the notion that we should base a Commons debate on it, given the title cited by the hon. Gentleman, it sounds as though it is a less than impartial piece of reporting. Having had some recent experience myself of press reporting that was literally a piece of fiction from start to finish, I do not take it very seriously.

Mr. Owen Paterson (North Shropshire): Is the Leader of the House aware that the Welsh Assembly plans to report on a proposed lifting of the beef on the bone ban before it rises for its recess? As the majority of Members elected to that Assembly promised in their election manifesto to vote for the lifting of the ban, will the right hon. Lady give me some advice? What is the position of my constituents living right on the Welsh border if they go over the border, buy beef on the bone in Wales and bring it back? The question also applies to innocent travellers from the south of England, who might pass through in their caravans. May we have a clear statement on the position of those living in the constituent parts of the United Kingdom if they commit an act that is legal in one part of the United Kingdom, but prohibited in the three remaining parts?

Mrs. Beckett: The hon. Gentleman asks an interesting question, but it is based on a decision that has yet to be made by the Welsh Assembly, and I do not propose to anticipate that decision.

Mr. John Bercow (Buckingham): May we have an early statement from the Home Secretary to clarify Government proposals to resolve the escalating passport crisis? Is the right hon. Lady aware that my constituent Sarah Crisp currently intends to go on honeymoon with her husband-to-be Jonathan Breaks on 7 August; that she applied for her passport in May; that the cheque has been banked; but that she has received no communication to reassure her that her application will soon be processed? Is she aware that, in responding to the debate the other night, Ministers said only that they would move heaven and earth to ensure that people received their passports in time, but that they did not give a categoric pledge that people would receive their passports in time? May we have a statement to enable such a pledge to be made?

Secondly, will the right hon. Lady take account of the genuine and widespread concern that, although Ministers are saying that the passport in person charge will be waived—*[Interruption.]* No, I do not need to hesitate when asking my questions, unlike the Under-Secretary of State for Defence when he responds to debates.

Mr. Deputy Speaker (Mr. Michael Lord): Order. The hon. Gentleman is taking rather a long time. Will he put his question now, briefly?

Mr. Bercow: I am grateful for your guidance Mr. Deputy Speaker.

Can the Leader of the House guarantee that, if people have to make an application in person and incur travelling costs in the process, they will be reimbursed for those costs?

Mrs. Beckett: All I can tell the hon. Gentleman is that, as my right hon. Friend the Home Secretary has repeatedly made clear in the House, Ministers are doing everything possible to make sure that the problems experienced in the Passport Agency are resolved, and they are extremely mindful of the difficulties that people are experiencing. Any Minister who gave a guarantee that there would never be a mistake in his Department's handling of any issue would be a less than wise Minister, but Ministers are doing all they can to resolve the difficulties.

Dr. Julian Lewis (New Forest, East): Will the Leader of the House arrange for the Home Secretary to come to the House to resolve an apparent contradiction between two answers he gave to questions about whether the Security Service is or is not continuing to monitor subversion? On 21 June at column 783, the right hon. Gentleman cast doubt on my assertion that the Security Service was no longer monitoring subversion, but in a written answer yesterday, he asserted that what was said in his Department's booklet about MI5 was still valid—

namely, that the Security Service is currently undertaking no investigations into subversion. In view of the failure of intelligence about the riot in the City, which the Home Secretary acknowledged was thought out in advance in a conspiratorial way, is it not important that the House knows whether MI5 is still doing its job in that vital respect?

Mrs. Beckett: I have not studied closely the two answers to which the hon. Gentleman refers, but it seems possible to me that there is no contradiction between them. If I heard him correctly, one answer is that there are no current operations, which is not the same as saying that the Department has given up the role entirely. Although I cannot undertake to find time for a special debate to clarify the matter, if the hon. Gentleman feels that there is confusion, he may find that dropping a line to my right hon. Friend the Home Secretary is a fruitful way of proceeding.

Mr. Christopher Gill (Ludlow): The right hon. Lady will be aware of the long-standing and continued hostility of the Spanish Government towards Gibraltar, and of the way in which the Government steadfastly refused to accept amendments to the European Parliamentary Elections Act 1999 to give Gibraltarians the right to vote in the recent European elections. She is, perhaps, not aware that her Government are now stalling on the issue of a banking passport to Gibraltar, which will, of course, seriously affect the colony's economy. Will she, therefore, grant the House the early opportunity of a debate on Gibraltar so that we can discuss all those matters and more besides, which are published in the excellent report of the Foreign Affairs Committee?

Mrs. Beckett: I am afraid that I cannot undertake to find time for a debate on the matter in the near future. I am aware of the recent Foreign Affairs Committee report, and I know that the report is being studied carefully and there will be a Government response in due course. I draw the hon. Gentleman's attention to the fact that Foreign Office questions will be tabled on Tuesday, and he might seek to get the matter on to the Order Paper by that means.

Point of Order

2.11 pm

Mr. John M. Taylor (Solihull): On a point of order, Mr. Deputy Speaker. During business questions, the hon. Member for Ilford, South (Mr. Gapes) referred to a Commissioner as being a Conservative. I should like the House to know, for the record, that Commissioner Bangemann is a Liberal.

Mr. Deputy Speaker (Mr. Michael Lord): That is not a point of order for the Chair.

Business of the House (Statutory Instruments)

Motion made, and Question proposed,

That, if a Statutory Instrument or Statutory Instruments relating to a Northern Ireland matter be laid before the House this day, a Minister of the Crown may, notwithstanding the practice of the House, make without notice a Motion or Motions for the approval of the said Instrument or Instruments at the sitting this day.—*[Mr. Clelland.]*

2.12 pm

Rev. Martin Smyth (Belfast, South): I appreciate being given the opportunity to speak to the motion. I can understand one reason why it was tabled. However, in business questions, in response to a question about beef on the bone, the Leader of the House suggested that, because no decision had been made about that, she would make no assumptions. I was taught always to be very careful about conditional sentences, and the motion is conditional. Many years ago, a professor told me that, if a cow had a long enough tail, it would reach the moon. He stressed the word, "if".

I have had no instructions from Belfast, but I am mindful of a report on Sky Television on Tuesday evening, when Adam Boulton said that Northern Ireland questions would be asked in the House the next day, and English, Scottish and Welsh Members would participate but all the Northern Ireland Members were in the Castle buildings in Belfast. You and the House will know, Mr. Deputy Speaker, that five Northern Ireland Members were present yesterday, seeking to handle that business. However, if a statutory instrument on a Northern Ireland matter were to come before the House today, it is doubtful, because of the events in Belfast, that anyone from Northern Ireland would be present in the Chamber. In the light of the continuing discussions, I should have thought that it would be wiser to leave such business until another day.

2.13 pm

The President of the Council and Leader of the House of Commons (Mrs. Margaret Beckett): I understand the concern expressed by the hon. Gentleman. I simply say to him that this is a classic example of an enabling motion. By moving it, the Government do not commit ourselves or the House to further action but, if we do not move it, we will be unable to take action if it is requested. I understand the hon. Gentleman's point, but he will understand that, if an agreement were to be reached, the House would want to proceed in that manner, and unless we move the motion, we will not be in a position to do so.

Question put and agreed to.

Armed Forces Personnel

[Relevant documents: First Report from the Defence Committee of Session 1998–99, on the Strategic Defence Review: Territorial Army Restructuring (HC 70), and the Government's Response thereto (HC 417). Sixth Report from the Social Security Committee of Session 1998–99, War Pensions Agency Business Plan 1999–2000 (HC 377).]

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Clelland.]*

2.14 pm

The Minister for the Armed Forces (Mr. Doug Henderson): I am very pleased to open this debate about people in defence. At Defence questions last week, I did not have the opportunity to welcome the hon. Member for Croydon, South (Mr. Ottaway) to the Opposition Front Bench. I take this opportunity to do so. I hope that he has an enjoyable time as an Opposition spokesman and that he enjoys longevity in opposition, so that he can be completely fulfilled in his role.

I am sure that the House will agree that the men and women of our armed forces, and those who support them, are a tremendous national asset. The people who make up our armed forces make an enormous contribution to Britain's place in the world. I want this afternoon to pay tribute to the dedication, professionalism and commitment of all who serve in our armed forces. We have long known about those qualities. In the past 14 weeks in the Balkans, our forces have demonstrated them to people not only in this country but worldwide. I have every confidence that our forces will continue to display those qualities in any task that we set them in future.

We all know the danger that is involved in the tasks that our forces are currently carrying out in the Balkans. I know that the whole House will want to join me in sending condolences to the loved ones of Lieutenant Evans and Sergeant Balaram, the two Gurkhas who were killed—helping others—in the tragic accident in Kosovo last week.

When we announced the results of our strategic defence review last year, we stated our belief that, as a leading member of the international community and a trading nation, we have a responsibility to be involved on the world stage. That is why we continue to have worldwide interests, worldwide responsibilities and worldwide influence. The British people want our diplomatic and military activities on the world stage to pursue not only what is in our direct interest but what is right. Those are the objectives of this Government.

Recently, of course, the focus has been on Kosovo. The air campaign there was an outstanding success for the alliance as a whole and for the UK. Credit is due to all those involved, but particularly to the RAF pilots who put their lives at risk day and night in the cause of humanity and who flew some 10 per cent. of the total strike sorties flown by NATO. The focus has now turned to operations on the ground in Kosovo. We have some 8,500 troops in Kosovo, with a further 2,200 in Macedonia. The speed at which they were deployed will stand as a lasting tribute to the efficiency and professionalism of all those involved. The fact that our armed forces were the first into Kosovo in significant numbers demonstrates that, if there is a job to be done, they will not shy away from doing it.

Mr. Julian Brazier (Canterbury): The Minister has just commented on the remarkable achievement of our forces

in moving so quickly into Kosovo. Will he therefore tell the House why he is breaking up Fifth Airborne Brigade—the only brigade headquarters capable of mounting an operation at seven days' notice—and merging it with a lower-readiness formation?

Mr. Henderson: The hon. Gentleman knows that the changes that we are making aim to modernise our armed forces and to put them in a position where they can deploy in a ready and usable manner. That is why that change has been made. We have had exchanges on the details of that change on many occasions in Committee and in the House.

Our troops in Kosovo are involved in a variety of tasks, but the dangers have not deterred the colleagues of Lieutenant Evans and Sergeant Balaram in any way. Indeed, for many, it has made them even more determined, and I have no doubt that their tasks will be carried out with the same level of commitment and the skill that their Air Force colleagues demonstrated. Our troops are helping, in very difficult conditions, to create an environment where all people, whatever their ethnic background, can live together in safety and peace. That is a task for which the abilities of the UK's armed forces are second to none.

Our forces are engaged in many other places across the globe. At the last count, there were almost 30 separate deployments of British forces. More than 63,000 men and women are undertaking tasks in locations ranging from Latvia to South Africa, and from Sierra Leone to Singapore.

Examples of those tasks include the five military personnel in Romania who are helping the country to draw up its new defence strategy and run training courses, and the eight-person military advisory training team in Sierra Leone. I can announce today that we are sending two military liaison officers to the United Nations mission in East Timor. They will form part of the continued deployment of civilian police officers and military personnel who are being sent to East Timor to assist the ballot on the future of the island in August that is being organised by the UN. Such deployments show the breadth and width of the tasks that are carried out by our armed forces in their numerous postings all over the world.

Mr. Bob Russell (Colchester): Having read out the list of countries, does the Minister accept that the British Army is suffering severe overstretch?

Mr. Henderson: I am coming to the issue of overstretch a little more quickly than the hon. Gentleman might have expected.

I accept that overstretch is a major problem facing the armed forces. They recognise that it cannot be solved overnight, as I hope does the House. Ultimately, overstretch can be addressed only by a long-term strategy. That strategy must address the level of our commitments and the way in which we meet them.

As always, we are assessing our level of commitment. I cannot predict political events in the Balkans any more than anyone else. I do not know for how long we will have a commitment in the Balkans, but we will be there for as long as is necessary to complete the task. I anticipate, however, that others will be making a telling contribution. NATO is reviewing the level of troops in Bosnia. We clearly want to reduce our force levels when appropriate; we of course review those levels very regularly.

Mr. Brian Cotter (Weston-super-Mare): I am pleased that the Minister has referred to Lieutenant Evans, whom he may know was a constituent of mine. The Minister may also know that I referred last week in business questions to the very sad circumstances of Lieutenant Evans's death, and secured a commitment from the Leader of the House that the Minister would in this debate address my serious concerns about the security and safety of personnel, and about the procedures being put in hand to ensure that everything possible is done to protect military personnel and civilians.

Mr. Henderson: I am grateful for the opportunity to clarify for the hon. Gentleman that the safety of all our troops has been paramount in all our calculations over the past 14 weeks, and will continue to be so. All practical steps possible to secure maximum safety will be taken.

Mr. Richard Ottaway (Croydon, South): Before responding to the hon. Member for Weston-super-Mare (Mr. Cotter), the Minister talked about the uncertainties over the withdrawal from Kosovo. Is he aware that, in Question Time last week, the Defence Secretary said that he expected "a significant reduction" in troop numbers "after about six months"? That seems to be inconsistent with what the Minister has just said. On what assumptions did the Secretary of State make such a statement?

Mr. Henderson: I hope that I can reassure the hon. Gentleman—and, indeed, anybody else who might be listening to this debate—that the Defence Secretary said that he would hope to be able to reduce our numbers. Many discussions are taking place with our NATO partners—and with some countries outside NATO on how they might make a contribution. Several have said that they want to make a contribution. As they are able to move their troops to the front line, we will be allowed to pull back some of ours for roulement and recuperation. That is what the Secretary of State said, and that is what I believe will happen.

Mr. Iain Duncan Smith (Chingford and Woodford Green): Will the hon. Gentleman give way?

Mr. Henderson: I cannot resist the pleasure of giving way to the hon. Gentleman.

Mr. Duncan Smith: Is the Minister aware that his answer to my hon. Friend the Member for Croydon, South (Mr. Ottaway) on the back of his comments on overstretch will be studied very carefully? The Secretary of State indicated a six-month deadline—he is talking about looking to remove troops from the commitment—yet, just now, the Minister said that he did not know how long the commitment would last. The issue of overstretch, particularly pressure on troop numbers in Bosnia, is hugely affected by such decisions. I want the Minister to be clear: what are the criteria that will enable the Secretary of State to order the withdrawal of troops from Kosovo other than that already alluded to?

Mr. Henderson: The hon. Gentleman has failed to draw a distinction. I do not know how long there will be

[Mr. Henderson]

a need for military involvement in the Balkans. I cannot predict that any better than anyone else. We have said that we will make the necessary provision, together with others, to meet our responsibilities on the commitment. In doing so, there is the question of how and what resources will be brought to bear.

Discussions with NATO partners are taking place, and it is known publicly that many non-NATO countries want to make a contribution. As such countries make a greater contribution, it will allow us to reduce the level of troops. Initially, we would be replacing troops already in the region with others who are ready to move into the theatre. I believe that, and I am confident that, other nations will be prepared to carry more of a responsibility than has been so up to now. We must all welcome that as a clear sign of the democratic world acknowledging that they must share responsibilities for such a task.

Mr. Eric Martlew (Carlisle): We are due to send extra troops to Bosnia next spring, but would not it be reasonable to divert those experienced forces to Kosovo as other nations take over our role in Bosnia?

Mr. Henderson: One of the reasons why we want six deployable brigades under the strategic defence review is that it will enable us better to meet such commitments. There are questions of commitment generally in Kosovo and of who will meet the commitment in Bosnia. Both issues will affect the number of troops that are required in total in both Kosovo and Bosnia. The supply of those troops is a separate question. As I said in reply to the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), other NATO nations and others are increasingly prepared to contribute to such a commitment.

Mr. Tom King (Bridgwater): The Minister knows that at the heart of our ability to sustain commitments is the retention of troops. Crucial to that is the attitude of their families. In the Balkans, there has been a significant increase in unaccompanied tour commitment. We do not have endless resources, but if we are to undertake more commitments, for what level of tour interval on unaccompanied tours is the Government planning?

Mr. Henderson: I am grateful to the right hon. Gentleman for raising that point. Many people who serve in the armed forces will be asking that question. The answer is that we are gearing ourselves to meet the commitments that we set out in the strategic defence review. We hope that several initiatives on recruitment will increase the number of our troops—I shall announce some of them this afternoon—and other measures on retention should help us to meet commitments.

Mr. King: What is the level?

Mr. Henderson: It was stated in the strategic defence review.

I want to move from the issue of commitment to the one of provision of resources.

I want to make an announcement about the Military Provost Guard Service. I can announce today that we are addressing one of the ways in which our armed forces can get more people to the front line. Currently, 1,400 soldiers in the Army—the equivalent of two and a half infantry battalions—are undertaking guarding duties in the United Kingdom. Those duties are not generally relished by many of our young soldiers; they find them tedious and they want to be in the field with their units, putting into practice the skills that they have learned.

On 23 June, I announced that, following a two-year pilot scheme, I had decided, subject to consultation, to expand the Military Provost Guard Service to a strength of 600, replacing MOD police in carrying out armed guarding duties at 27 Army establishments throughout the country.

Military Provost Guard Service personnel are soldiers on local service engagements—that is to say that they are generally limited to serving within their travel-to-work area. However, in other respects, they are subject to the same service regulations and discipline as full engagement regular soldiers. They are part of the Army.

I now intend to develop the provost guard scheme further. We are already in the process of recruiting an additional 200 provost guards to replace soldiers who have completed their initial training but are required to undertake guarding duties at training establishments. That will release personnel for the front line.

Mr. Robert Key (Salisbury) *rose—*

Mr. Henderson: Building on the success of the pilot scheme, I intend to expand the Military Provost Guard Service to replace the 1,400-odd full engagement regular soldiers currently employed on static guarding duties in the United Kingdom. The objective is to free up those soldiers from other tasks. The speed with which we are able to do so will depend on our success in recruiting this new kind of soldier. However, I am optimistic about our ability to do so.

This is an important initiative. I am determined that we should make maximum use of this new kind of soldier. It will help us to improve the quality of life for our regular soldiers. Those numbers represent about one sixth of the current shortfall of soldiers in the Army.

As we expect the provost guard scheme to appeal to a different sector of the work force from the rest of the Army, we shall be widening the pool from which we can recruit. We believe that those most likely to be attracted to the provost guards will be ex-regulars—those who enjoy the Army way of life but, now a little older, have had enough of overseas postings and are looking for greater stability and the opportunity to put down roots in one place.

I want to turn—

Mr. Mike Hancock (Portsmouth, South) *rose—*

Mr. Key *rose—*

Mr. Henderson: I give way to the hon. Member for Portsmouth, South (Mr. Hancock).

Mr. Hancock: I welcome the Minister's statement, and I am sure that most reasonable and sensible people would suggest that it is a step in the right direction. He mentioned the MOD police. I should be grateful if,

before he leaves the subject, he would expose to the House what plans he has for the future of the MOD police and say how he envisages their future role.

Mr. Andrew Mackinlay (Thurrock): What does their federation say?

Mr. Henderson: I say to my hon. Friend. the Member for Thurrock (Mr. Mackinlay), who asks a question from a sedentary position, that I have had lengthy consultations with the federation on these matters. I want the MOD police to have a successful future and I am confident that they will have such a future carrying out the tasks for which they were intended.

I shall now discuss recruitment.

Mr. Key: Will the Minister give way?

Mr. Henderson: I think that I have given way very generously. I am sure that hon. Members on the Opposition Front Bench will want to catch—

Mr. Duncan Smith: The Minister must give way to an Opposition spokesman.

Mr. Henderson: I am sure that hon. Members on the Opposition Front Bench will want to catch my attention later in my contribution, but I want to make some progress.

Our recruitment efforts have been increasingly satisfactory in the past 12 months. In the last financial year, recruitment figures were up 11 per cent. for the armed forces as a whole, in comparison with the previous year. That means that we recruited 26,000 people instead of 23,500. The Royal Navy's recruitment was up 4 per cent., the Army's up 10 per cent. and the RAF's up 20 per cent.

Our recruitment of women showed a steady improvement, increasing 3 per cent. between 1997–98 and 1998–99. Twenty per cent. of all officer recruits are now women. I believe that it compares very favourably with any other major organisation in the country, be it private or public sector, to have 20 per cent. of female middle management recruits.

In the black and Asian communities, recruitment doubled from 1 to 2 per cent. of recruits between 1997–98 and 1998–99, and we have made a good start towards achieving our target of 5 per cent. by the year 2002.

Those figures reinforce the Government's view that suitability and ability are not governed by colour, gender or social background.

It is never easy to know what motivates people to join the armed forces. I believe that it is a first-choice career, and obviously there are now more young people who believe that it is a challenging career. Young people recognise that they can learn essential skills, which put them in a position to pursue a civilian career later in life.

The armed forces have always strongly recruited on educational advancement. Black people in America have for many years improved their skills and made a more telling contribution to the American way of life by joining the armed forces. Their motto was,

"A way out and a way up".

I believe that, in Britain today, people from all backgrounds can improve their education by committing themselves to serving the nation in our forces. They can join up and get on. It will make them not only better-qualified soldiers but better-qualified citizens. Our learning forces initiative is designed to achieve that. We have committed £10 million extra to that initiative in the current financial year.

As the House will be aware, today, the Territorial Army changes formally to the new organisation that my right hon. Friend the Secretary of State for Defence announced on 17 November 1998. The new structure takes effect today and should be fully effective by April 2000. I am glad to say that the transition has been highly successful thus far.

I shall now discuss retention, which is crucial if we are not only to stabilise the overall figures in the armed forces, but to increase them to the levels that we believe are necessary and were stated in the strategic defence review. Obviously, if more people are recruited and retained and there is less overstretch, those who serve are more fulfilled and more contented, and therefore more likely to stay.

However, we are not there yet. We must take many more measures to make staying in the services more attractive. I believe that financial incentive is an important factor in retention.

Mr. John Burnett (Torridge and West Devon): I have previously raised in the Chamber the issue of conditions—especially those of Gurkha troops. We owe the Gurkhas a debt of honour that we can never repay. I am sure that the Minister will concede that, and I am sure that he will concede that, if Gurkha pensions were reviewed, it would go some way to help a country that is poor but very proud. Do the Government propose to review the pensions payable to Gurkha soldiers?

Mr. Henderson: I shall come to that issue in a little while, but first I want to deal with the question of financial incentive.

The pay settlement, which was not phased this year, was welcomed as a contribution to retention. I am considering whether different lengths of engagement for ranks in the Army would encourage retention and what might be the appropriate incentives to persuade people to sign up for longer.

We have recommended financial incentives for signallers to stay in the Army, and those recommendations have been put to the Armed Forces Pay Review Body.We have introduced incentive schemes to persuade pilots to remain in post longer, which involves paying for their training for civilian licences.

Our pay settlement for doctors and dentists in the three services, at 4.5 per cent., is 1 per cent. above changes that were made in national health service rates, and is designed to help retain those essential staff.

I shall now deal with the question asked by the hon. Member for Torridge and West Devon (Mr. Burnett). We very much appreciate and hugely value the contribution that is made by Gurkha soldiers to the tasks of the British Army. The death of Sergeant Balaram in Kosovo has raised the question of the provision of death-in-service payments and the pension arrangements for British Gurkhas.

[Mr. Henderson]

I am examining the pensions and gratuities paid to British Gurkhas, which are regularly reviewed within the context of the tripartite agreement between Nepal, India and the United Kingdom. The agreement has proved to be flexible over the years. It provides the basis for Gurkha pensions. This is an important issue in general terms given the principles on which our armed forces are based and in the retention of our Gurkha soldiers, who we hugely value.

Mr. Brazier: Is the Minister able to confirm that the Department of Social Security and the War Pensions Agency will be involved? The real scandals are in the treatment of Gurkha personnel from the wartime era, some of whom receive almost nothing. Some of those people have medals. They come under the War Pensions Agency, not the Ministry of Defence.

Mr. Henderson: I have been involved in assessing the background of Gurkha pensions over a long period. I have announced a new examination today, which will come on top of the assessment that has already taken place. It will involve all parties within government that have a contribution to make. I have not yet decided who will be on the committee, which I shall chair. I shall be making a decision on that very shortly once representations have been made.

Mr. Hancock *rose—*

Mr. Henderson: I cannot take interventions for ever, but I shall give way to the hon. Gentleman.

Mr. Hancock: I am grateful that there will be a review of pensions once Gurkhas have finished their service. Will the Minister review their status within the United Kingdom if, on retirement following service in the Army, they choose to remain here and take up other employment that involves working for the Government, rather than exposing them to the indignity of returning to Nepal to fight an endless struggle to get readmitted to the United Kingdom?

Mr. Henderson: I have said what I shall examine and I will not say any more than that. Members could put many hypothetical situations to me. It would not be fair for me to try to answer them without notice before I have examined all the various implications of these issues. I am not discounting anything as being unimportant. I want thoroughly to consider these matters once I have received appropriate advice.

I want to move on because I know that many right hon. and hon. Members want to speak in the debate.

Education is also important for retention. It enhances skills and I believe that, in future, it will be more and more valued by our armed forces. Young soldiers recognise that, when they leave service life and join civilian life, they must have skills. In addition to their military skills, I know that they recognise the importance of skills such as computer literacy and information technology. I was extremely impressed when I visited Albemarle barracks in Northumberland recently. I saw soldiers, who were primarily involved in dealing with Phoenix, sitting before computer terminals, clearly delighted to be learning computer techniques and improving their computer literacy skills. They believe that those skills are important for their time in the services and that they will hold them in good stead in the future. That is an excellent example.

The right hon. Member for Bridgwater (Mr. King) talked about families, about which I want to say one or two things. One of the disincentives to retention is often a sense of separation from family life. I put a high priority on measures to bring families closer to their loved ones who serve. We have increased the allowance for free telephone calls for personnel deployed abroad to 10 minutes a week. We have also introduced flexibility to permit any of the allowance unused in one week to be carried forward to the next.

I believe that families and friends should be able to communicate easily with their loved ones in the armed forces and, earlier this week, I announced a new service to enable them to do so using the internet. Those in the forces will know what I mean by the Bluey, which has been modernised and speeded up. After I made my announcement on Monday, I can tell the House that the system has been heavily used this week, especially between families in this country and those whom they love who are serving in the Balkans.

I want to see an improvement in telephone services worldwide for our troops. Many right hon. and hon. Members who have visited troops on any location will know that in many instances telephone facilities are not as good as they should be. That is inadequate and I intend to do something about it. I am conducting a review of the provision. I believe that our troops should have access to all the best and latest technology. Improvements have been made in Macedonia and we are extending them to Kosovo.

Mr. Key: I am grateful to the Minister for very generously giving way to me for the first time.

Will the hon. Gentleman tell the House why our service men and women in Bosnia have run out of telephone cards, which means that they cannot communicate with their loved ones in this country? It is good news that the length of time that they can call home is to be increased, but that will not work if there are not more telephones. The queues are getting longer, which means added frustration. What will the hon. Gentleman do about that?

Mr. Henderson: This evening, we will dispatch telephone cards to Bosnia from wherever we need to get them. The hon. Gentleman has my assurance on that.

I move on to the welfare of families. It is not enough to keep in touch with families; their welfare must be considered as well. I know that commanding officers—I meet many of them every day of the week—place a high priority on their responsibilities to look after the welfare of our service families. They know, as the House should know, that a soldier who knows that his family is being well looked after is a focused soldier, and we want our soldiers to be focused.

Mr. Nicholas Soames (Mid-Sussex): Will the Minister give way?

Mr. Henderson: This is the last time that I shall give way.

Mr. Soames: I am sorry to intervene on the hon. Gentleman, and I am grateful to him for giving way.

I urge the hon. Gentleman to examine carefully the disparities in the way in which family policy is run. For example, in my judgment, the Royal Navy has always looked after the families of its personnel more effectively than the Army has done. The Royal Air Force has an entirely different system. The standard throughout the Army varies very much from regiment to regiment and from corps to corps. Will the hon. Gentleman consider instigating a form of benchmark of best practice in each of the three services and examine how best we can bring all the services together, so that what he and everyone else want to do—to provide a first-class service for families—can be put in place?

Mr. Henderson: Building on some of the radical reforms that were previously made in the office, I regularly meet the family associations from the different services. They have raised with me the point that has been made by the hon. Gentleman and benchmarked certain issues for me, indicating where they think improvements have been made and how they could be extended. I take on board what the hon. Gentleman says.

I chair a task force that deals with issues such as education and health. I am pleased to say that we have had a number of meetings at officials' level and a meeting at ministerial level. Considerable progress is being made in improving the facilities for service families in education and health and in other areas. In consultation with the families, they agree that we should deal with those issues first and then move on to others that are important for them.

For example, when a service family moves from one location to another, how do they ensure that their children have access to a school of their choice? The Department for Education and Employment has taken that on board and modified the regulations accordingly. If a service family moves from one location to another and they are in a waiting list for a hospital facility, how will they be treated?

Those are two of the initial issues with which we are dealing. There are many more that I deal with that I believe are of the highest priority.

I have been pleased to be able to report to the House that we are doing everything that we possibly can for the people who serve this nation in our armed forces, and that we want to do more. The defence of any nation must be a priority for any democratic society. We value our freedoms and we must defend them, and our armed forces do so for us. We should all be indebted to them for their efforts on our behalf. That is why we must ensure that they have the right equipment and the right people to enable them to do the job. If we are to recruit those people, we must make service life attractive to soldiers and the other service men and women who serve, and attractive also to their families and the armed forces' community. That is the Government's objective, and it should be the objective of the House.

2.50 pm

Mr. Richard Ottaway (Croydon, South): I thank the Secretary of State for his words of welcome at Question Time last week, and I thank the Minister for the Armed Forces for his words of welcome today, although I would rather be known as the spokesman than the spokesperson.

Having joined the Royal Navy at the age of 16, serving for nine years at the height of the cold war, witnessing at first hand the withdrawal east of Suez, and then serving for 10 years in the Naval Reserve, I feel that life has come full circle as I find myself participating in this most important debate today.

The debate is about the men and women who serve in our armed forces. It addresses the central issue of their numbers, their welfare and their qualities. The Defence Committee's eighth report stated:

"The quality of its people is perhaps the defining characteristic of the UK's armed forces."

In recent months, world events have shown yet again that our armed forces are of the finest quality. In Kosovo, the Gulf, Northern Ireland and all around the world, British soldiers, sailors and airmen serve the country with great bravery and professionalism. In Operation Allied Force, as part of the NATO alliance, our airmen carried out hundreds of hazardous missions against a well armed and capable foe.

Following President Milosevic's withdrawal, British troops led the NATO spearhead into Kosovo. No one doubts the great dangers and difficulties that they face, but they face those dangers as the best trained and most professional soldiers in the world. The dangers facing our troops were underlined only last week when, as the Minister said, two British soldiers—Lieutenant Gareth Evans and Sergeant Balam Ram Rai—lost their lives helping to make safe unexploded munitions near a primary school in the village of Orlate. We join the Minister and pay tribute to them. Our thoughts are with their families.

There are many operational demands on our service men. Although Kosovo currently makes the news, no one should forget the contribution that our forces are making in Bosnia, Northern Ireland and the Gulf. Only last week, our Tornadoes struck three communications sites and two radar sites in southern Iraq, in response to aggressive Iraqi action.

We should not forget the impact of separation on the families at home. The point was made by my right hon. Friend the Member for Bridgwater (Mr. King) and my hon. Friend the Member for Mid-Sussex (Mr. Soames). That burden is intensified when their husbands and wives are on active service, when danger is ever present.

Operations are the most fulfilling part of a service man's career. That is what they joined up for; they spend their time in the service training for such eventualities. However, continued commitment to operations can cause havoc for service men with families and the effect can be problematic. My hon. Friend the Member for Salisbury (Mr. Key) will deal with welfare issues when he winds up this evening.

Mr. Tom King: I thank my hon. Friend for giving way, and I am sorry to interrupt an excellent opening. We have heard about telephone cards and about all the ways in which we try to meet the problems of separation. However, there will be no recruitment and people will not join the armed forces in significant numbers unless their families know where they stand. I am deeply concerned that the Minister did not answer my question. I realise that it is difficult for him to say exactly what will happen, but for what tour interval for unaccompanied tours are the

[Mr. Tom King]

Government planning? If the Government cannot answer that question, what on earth are members of the armed forces or people considering joining supposed to think?

Mr. Ottaway: Perhaps the Minister for the Armed Forces wishes to respond to that intervention.

Mr. Brazier: As the Minister has not responded, may I remind him that the Chief of the Defence Staff reported to the Defence Committee that the tour interval for infantry units is down to 15 months, and for individual infantry men it is much worse, perhaps 12 or 13 months—half the length projected in the White Paper and unsustainable in the long run.

Mr. Ottaway: It is a pretty tale when the Opposition must supply such information in an important debate. I recognise the important point made by my right hon. Friend the Member for Bridgwater. The matter is of great concern to the families. As I said, my hon. Friend the Member for Salisbury will deal with welfare matters in his winding-up speech.

That Government said that one of the most important elements of the strategic defence review was their policy for people. The supporting essay states:

"Addressing the personnel problems that affect the Armed Forces will take time, trust and money. Trust needs to be earned and will only arise from"—

this is the important point—

"the delivery of tangible improvements in overstretch and undermanning."

We share that view.

Overstretch was well described in the SDR as a "vicious circle"—the armed forces have fewer men, so those men are deployed more often; they spend longer periods away from their families, so they become more inclined to leave, which leaves the armed forces with fewer men, and so on.

The SDR continued:

"We must break this vicious circle. To do so we must match the commitments we undertake to our planned resources".

We share that view too, but we question in this debate whether resources are matching the growing commitments.

Mr. Martlew: Does the hon. Gentleman accept that the strategic defence review examined the armed forces as the Conservative Government had left them?

Mr. Ottaway: Obviously, the SDR examined the armed forces that we left, but Labour tabled a motion in the last defence debate before the last election opposing the defence estimates and stating that it

"notes that the shortfall in the strength of the British Army numbers 4,000 personnel; is concerned that the resulting overstretch is undermining the morale and operational effectiveness of the armed forces."

As I shall shortly demonstrate, that seems to have been a golden era compared with the present position.

Mr. Soames: I thank my hon. Friend for giving way and apologise for interrupting him. I endorse the remarks of my right hon. Friend the Member for Bridgwater (Mr. King). Of course telephone cards are important, and of course welfare issues are important, but what makes our troops so exceptionally brilliant and effective is the fact that they are highly trained and have superb confidence in their equipment and in their ability to undertake their task. What is so dangerous about the tour interval is that it means that the training is severely curtailed, thereby affecting the service men's confidence in their ability to do the job.

Mr. Ottaway: My hon. Friend is right. As the training cycle tightens, it affects the quality of training and the opportunities for training.

We agreed with the statement in the SDR that commitments should match planned resources, but we question whether resources are matching growing commitments. Are the assumptions in the SDR already out of date? The Government recognise that overstretch remains a major problem, as the Minister confirmed today. Nevertheless, even before major deployments took place in the Balkans, MOD figures revealed that more than 36 per cent. of Army personnel are currently committed to operations, with a further 22.5 per cent. warned to deploy for operations. Of Land Command personnel, 55 per cent. are committed to operations, with a further 34 per cent. warned to deploy for operations.

Mr. Brazier: Impossible.

Mr. Ottaway: As my hon. Friend says, it is virtually impossible.

Ministers tell us that recruitment is up by 18 per cent. this year. They point to a number of initiatives that have been undertaken as part of the SDR, which we welcome. However, the problem of overstretch remains and is getting worse. Only last week, the Secretary of State admitted that the Army is losing soldiers faster than it is recruiting them. The soldiers that it is losing are the trained, skilled ones, who are being replaced by raw recruits.

The review undertook to increase the Army's strength by 3,300 men, but it did not expect full manning to be achieved before 2004. That is five years away. In October 1997, the Army was 4,500 under strength. Today, it is more than 6,000 under strength.

The Chief of the Defence Staff told the Defence Committee inquiry last year that increasing the size of the Army by 3,300 would be a demanding challenge. Will the Minister confirm that if the Army is 6,000 below strength and its complement is being expanded by 3,300, he has to recruit 9,300 more men and women to get it up to full strength, and he has to do so when numbers are falling, on the Secretary of State's admission, outflow is more than 15 per cent., and the United Kingdom labour market is tightening? That is a huge challenge, particularly as most of the increase will be in signals, engineers and logistics troops, of which we are desperately short. We accept the Government's good intentions, but we shall judge their achievements by the number of people recruited.

Those manpower shortages give rise to our concerns over the nation's ability to meet the commitments made. The Chief of the Defence Staff expressed similar views to the Defence Committee only last week. Let us take a

brief look at the armed forces' current major commitments. The deployment in Kosovo is moving towards 13,000 men. We have 4,000 men deployed in Bosnia, and I should be grateful if the Minister would confirm in his winding-up speech reports that that number is about to be reduced. We have 15,000 men deployed in Northern Ireland and a garrison of 23,000 men in Germany. We have a garrison of 3,000 men in Cyprus and the Falklands garrison numbers 1,000 men. With 89 per cent. of Land Command, which is the deployable Army, deployed or warned to deploy, we do not have a lot of room for manoeuvre to confront contingencies that may emerge.

Obviously, the future for Kosovo is unclear, but everything points to the deployment being long term; it would probably be better measured in years rather than months. In an article in the *Daily Mail* last month, General de la Billière, who knows a thing or two about these matters, said:

"It is a military rule of thumb that for every soldier seeing active service on the ground, you need one undergoing training and one unwinding in some less demanding environment.

In other words, to fulfil our planned commitment to Kosovo, we will need up to 30,000 troops. And if things go wrong—as they have a historic habit of doing in the Balkans—we may need to increase that number suddenly and sharply."

He then reviewed the commitments that I have set out and continued:

"In my judgment, these figures demonstrate that our armed forces are already dangerously and unacceptably overstretched."

Using the de la Billière formula, the overstretch can be measured as more than 20,000 at present.

At Defence questions last week, the Secretary of State said that he hoped to reduce our troop numbers in Bosnia and in Kosovo and that he expected a "significant reduction" after about "six months". I made that point in my intervention. The Chief of the Defence Staff also said last week that half our troops in Kosovo could be home by the autumn. The Minister's remarks have left the situation rather unclear. We want to know the criteria by which those assumptions are being made. That is an important point and it affects the overstretch situation.

Mr. Doug Henderson: Perhaps I can help the hon. Gentleman a little if my reply to his intervention was not clear. If one counts the beginning of June as the start date of the troop deployment, after about six months other nations will have had time to begin to assess what contribution they can make—they are doing that now—as well as when they can make it and how they can bring it to bear in Kosovo. At that stage, we would be able to bring back some of our troops and reduce our numbers to allow some to rest and some to train. That is what I said. It is exactly in line with what the Chief of the Defence Staff said and what my right hon. Friend the Secretary of State said. There is no difference at all between us.

Mr. Ottaway: I am grateful to the Minister for that. However, he has twice said that troops will "begin" to come back; that does not imply that they are coming back. Perhaps Ministers can confirm that we have received assurances from other nations that they will make up the shortfall.

No sooner do we receive indications that the overstretch pressures are being relieved than the Foreign Secretary—with the Secretary of State's agreement, I assume—commits 8,000 British troops to be put on permanent standby for peacekeeping operations all over the world.

Ministers must recognise that there are many "what if" scenarios on the horizon. What if the situation in Northern Ireland deteriorates and more troops are needed to ensure order? Developments today may enable the Minister to respond to that point later this evening. What if Saddam again threatens his neighbours? What if Milosevic foments disorder in Montenegro? Those are obvious scenarios, but in this uncertain world, and especially over the five-year time scale for achieving full manning of the Army, who knows what eventualities will emerge? We must be prepared for them.

There are two further factors to take into account. First, at St. Malo, the Prime Minister committed us to a European Union defence capability "within or outside NATO". Will the Minister please tell us the implications of that announcement in the context of our commitments and our ability to fulfil them? Secondly, in respect of what has become commonly known as the Blair-Clinton doctrine, the Prime Minister let it be known in a recent article in *Newsweek* that no dictator engaging in ethnic cleansing or repression would be tolerated. Fine words; that appears to be a global commitment to stamp out unacceptable practices. That huge commitment brings into question the Government's ability to deliver on the rhetoric.

The Government's response to questions about overcommitment and overstretch is that the SDR provides for flexibility. The Secretary of State said that the SDR

"was designed so that our forces will be able . . . to deal flexibly with the sort of problems that we face in Kosovo today."—[*Official Report*, 10 May 1999; Vol. 331, c. 8.]

However, it cannot in any way be argued that the Government's decision to cut the Territorial Army by 18,000 will create flexibility. As yet, TA troops have not been deployed in any great numbers in Kosovo, but no one could doubt the value of the role that they have played recently in Bosnia and in the Gulf.

As of 15 June, 393 members of the TA were serving in the Balkans. Of those, 355 were deployed in Bosnia, making up 10 per cent. of our troops in that country. The TA is much more than a recreational opportunity for civilians who want a taste of military life; it is a vital source of new recruits. It helps to train volunteer and professional recruits, provides support and back-up for the Regular Army and helps to create a link between the armed forces and local communities.

Mr. John M. Taylor (Solihull): Can my hon. Friend tell the House whether the Government are the first to have simultaneously reduced and mobilised the TA?

Mr. Ottaway: I would have to read the reference books, but I strongly suspect that my hon. Friend is right. He has made an important point. One of the TA's vital functions is providing support to the Regular Army and it is cost-effective, absorbing only £350 million per annum, which is approximately 3 per cent. of the defence budget. The Army, which is 6,000 below strength and suffering from a turnover of 15,000 personnel a year, can ill afford to lose such a source of recruits.

The Kosovo crisis has exposed the difficulties caused by the current manpower shortage. There have been reports of regiments having to borrow men from other

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units to get up to strength. The effects of Government policy have already been felt by the Parachute Regiment, whose 1st Battalion was reported as having to borrow troops from 3 Para because reserves were not available. As a result, 3 Para is not up to battalion strength. The TA's Parachute Regiment, whose soldiers would usually make up any shortfall in regular paras, can no longer do so because of the cuts under the SDR.

Notwithstanding the cuts in the TA, as the Minister said, retention of our regulars is causing serious problems. Overstretch is inextricably linked with retention difficulties. Only last week the Secretary of State told us that

"retention figures continue to give us cause for concern".—[*Official Report*, 21 June 1999; Vol. 333, c. 751.]

He also told the Select Committee last week that men were still leaving the Army faster than they were joining.

The problem is exacerbated by the increase in recent years of premature voluntary releases. Pilot retention in the RAF and the Fleet Air Arm—

Mr. Andrew Robathan (Blaby): I know that my hon. Friend is dealing with pilots, but does he think that officer retention in the Army is a problem? My sources in the Army—I am rather out of date, but I still know people there—say that young officers, in particular, are not staying. In five or 10 years' time, there will be a dearth of commanding officers and of the high-quality people whom we are used to seeing in command of regiments and higher.

Mr. Ottaway: My hon. Friend is absolutely right. I can be corrected if I am wrong, but I believe that premature releases among officers in the Army have doubled in recent years, compared with a 10 per cent. increase in other ranks.

I was dealing with pilot retention in the RAF and the Fleet Air Arm. The Government say that the RAF should be on target to meet its full manning level by 2000. I hope that the Minister can confirm tonight that that is the case. The retention of pilots is a real problem. It costs the taxpayer some £3 million to train each one, so it is of no surprise that they are of value to commercial airlines, which themselves face a shortage of pilots. However, it is fair to say that our need is greater than theirs, and I congratulate the Government on introducing a link-up scheme and on the £10,000 incentive to which the Minister referred in his speech.

Clearly, overstretch is at the core of the armed forces personnel problems. The Defence Committee said that there are two possible solutions to overstretch and undermanning: the first is to increase recruitment and retention and the second is to decrease commitments. The Government say that they are succeeding with recruiting, but they are clearly not matching capabilities to commitments.

In their response, Ministers will no doubt mention the overstretch that existed under the previous Government, but they must accept that they have now been in power for two years and that the SDR has cut the defence budget by £1 billion and slashed the TA by 18,000. They must accept that there is growing concern about the mismatch between commitment and budget. They must not shirk that issue, but must come up with concrete answers about how they intend to deal with the problem.

In April last year, the Government said that tackling overstretch would be one of the key elements of the SDR. In June 1997, the Secretary of State promised that the problem of overstretch would be seriously addressed. Now is the time for their deeds to match their words.

There is one other issue on which answers are urgently needed from the Government. In the last parliamentary Session, the Government introduced the Human Rights Act 1998, which incorporates into domestic law the rights and liberties in the European convention on human rights. It is expected to come into force in early 2000. Have the Government fully taken into account its impact on the armed forces?

The Act guarantees a range of political rights and freedoms of the individual against interference by the state. Once it comes into force and the convention becomes part of national law, the rights and liberties that it guarantees will provide litigants with a range of positive entitlements to assert in the course of a dispute with any public body. Once incorporation has taken place, the encroachment of the European convention on the armed forces will be immense. For example, article 3 provides that

"No one should be subjected to torture or to inhuman or degrading treatment or punishment."

What impact will that have on reports of bullying in the services? Article 6 provides that

"everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law."

That article, taken in conjunction with article 14, raises serious questions about the future of the court martial system. Do the Government have a view on that?

In my judgment, article 8 will cause the most problems. It provides that

"Everyone has the right to respect for his private and family life, his home and his correspondence."

That article inevitably questions the ban on homosexuals in the armed forces. There is a complete ban, which is non-discretionary and proscribes both homosexual orientation and homosexual conduct. The ban could constitute a breach of the applicant's rights under articles 8, 10 and 14 of the European convention on human rights.

Mr. Martlew: Will the hon. Gentleman give way?

Mr. Ottaway: No.

Four members of the armed forces who have lost their service careers because of that policy have already referred their grievance to the European Court of Human Rights. We do not know what that court's reaction is likely to be, but once the Human Rights Act becomes effective next year, the outcome of a complaint to the UK courts is predictable.

When considering an early application, Lord Justice Simon Brown said:

"I for my part strongly suspect that so far as this country's international obligations are concerned, the days of this policy"—

the ban—

"are numbered."

Sir Thomas Bingham, Master of the Rolls, said that

"to dismiss a person from his or her employment on the grounds of a private sexual preference, and to interrogate him or her about private sexual behaviour, would not appear to me to show respect for that person's private and family life".

Those last words are exactly those contained in the convention.

Mr. Martlew: Will the hon. Gentleman give way?

Mr. Ottaway: No, I shall not give way.

Because the European convention was not incorporated in UK law at the time, those views expressed by the judges did not prevail. Will the Minister confirm, however, that following the introduction of the Human Rights Act, it is highly likely that the ban on homosexuals will be declared unlawful? How do the Government intend to respond to that? This is a most important issue and the forces must be ready for it.

Mr. Doug Henderson: May I offer some information to the hon. Gentleman? It does not relates specifically to the question of homosexuality, but we are currently examining to what extent the services discipline Acts need to be modified in the light of the incorporation of the convention under the Human Rights Act. We hope shortly to announce our proposals.

Mr. Ottaway: I am grateful to the Minister for that intervention, although I should have thought that the Government would think about those matters before introducing an Act, rather than afterwards.

Mr. Brazier: I am grateful to my hon. Friend for giving way towards the end of his speech. As he implied, the Ministry of Defence has completely dropped the ball on this matter. Whereas the Department for Education and Employment got it right by acquiring specific exemptions for schools during the passage of the Bill, the Ministry of Defence acquired no exemptions for the armed forces. That just shows how far behind the kerb it is.

Mr. Ottaway: My hon. Friend makes the point very well.

Mr. Martlew: Will the hon. Gentleman give way?

Mr. Ottaway: No, I shall not give way again. I wish to bring my speech to a close and I have already given way to the hon. Gentleman once.

We live in challenging times. As we reach the close of this millennium, we have witnessed a century in which our armed forces have been at the centre of our lives and the nation's security. Our grandparents fought in the great war, when the huge loss of life brought home all the horrors and destruction of modern warfare. Our parents fought in the second world war, which brought the same violence and destruction to our very doorsteps. In the second half of this century, we have been fully involved in conflicts in Borneo, Suez, the Falklands, the Gulf and now the Balkans. The world remains an uncertain place.

Tensions in the middle east will, God willing, be replaced by peace, but new tensions arise all the time. The situation can change at short notice. In this troubled world, the defence of the nation and our interests are paramount so that young people can grow up, live healthy lives and expand the knowledge of the generations. That vision is utterly dependent on our armed forces. At its core are the young men and women who, without hesitation, risk their lives to protect those who live on this planet. We have every right to be proud of Britain's place in the world as a result of their efforts. We pay tribute to them.

3.19 pm

Mr. Bruce George (Walsall, South): When these debates begin, I always promise myself that I shall not be controversial, then I listen to Opposition Members and my resolve dissipates immediately. I cannot believe what I have heard. I have been on the Select Committee on Defence for many years, and have used the same arguments about overstretch against the Conservative Government as the hon. Member for Croydon, South (Mr. Ottaway) has just used. We wrote report after report, on "Options for Change", for the Army, for the Navy, for the Air Force and for the Reserves. When we had done that, we went back to "Options for Change" for the Army—there was a sense of déjà vu.

The Government inherited many of the current problems. The Defence Committee argued strongly against the Conservative Government's cut in the number of infantry battalions from 55 to 29—which they should not have done—and the gross overstretch. We had nights out of bed. It got out of hand. Ministers blithely said time and again, "No, we've got it right. You're exaggerating. The world is a much safer place." Conservative Members should go to the doctor to get a cure for the amnesia that seems to afflict everyone who moves from the Government Benches to the Opposition Benches. They should recognise that they got it wrong: they saw the world as a wonderful place in which we could afford to cut our defence expenditure from 5.1 per cent. to 2.6 per cent.

The "Options for Change" process began when the right hon. Member for Bridgwater (Mr. King) was Secretary of State. When the Gulf war began, I thought that the Conservative Government would be forced to stop the defence cuts. "Options for Change" had been put in a drawer, and when the war was over the drawer was opened as though nothing had happened, and the cuts continued.

Mr. Tom King: The hon. Gentleman makes a fair point. The Defence Committee's most recent report shows the problems of overstretch down the years. He is a fair-minded man, and he knows perfectly well that when "Options for Change" was originally written, the only real problem of unaccompanied tours was Northern Ireland. The Government are involved in what is, in effect, a second Northern Ireland in terms of the commitment of unaccompanied forces in a hostile area. I have supported them in that, but the hon. Gentleman surely recognises that the problem is now infinitely greater than it was before.

Mr. George: I welcome that intervention. The right hon. Gentleman was a very able Secretary of State, and he is also fair-minded. He realises that the problems that have beset Government after Government are not unique. Governments get it wrong. When my party was in opposition, I did not always share its view; and since it

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came into office, the level of defence expenditure has, frankly, fallen too low. If the Prime Minister wants this country to punch above its weight, it will have to be with more than 2.3 per cent. of gross domestic product. I have not remotely changed my views. I criticised the previous Government three or four years ago, and I have not suddenly changed my views just because my party is in office.

We must have adequate defence, and we must be aware of the fact that wars happen when we least expect them. In the old days one could whistle and guys joined up, whereas that no longer happens. The days are gone when aircraft carriers can be built fairly quickly—in about 15 years. Aircraft cannot be made swiftly: it takes 20 years. We must anticipate that the worst will happen. It is too late to start whingeing about a change in the situation when we are unable to change our response to that situation. We have a common approach, but the fair-mindedness which the right hon. Member for Bridgwater advocated should be spread around.

Mr. Key: At one time, the hon. Gentleman and I served on the Defence Committee together, and my signature is also on the report on defence expenditure. He has been absent from some debates lately, and we have missed him. He bangs on about this issue, and says that he disagrees with what the previous Government did. Does it make sense that he should support a Government who are making matters worse?

Mr. George: I have yet to reach the conclusion that matters are worse: they have a long way to fall before they replicate the decline under the previous Government. I am not a mathematician, but I estimate that, if this Government had continued the downward path of defence expenditure, we would be minus about £5 billion a year within five years.

Dr. Julian Lewis (New Forest, East): Will the hon. Gentleman give way?

Mr. George: No, I shall not give way for the moment—perhaps later. I want to get on with my speech.

I welcome the new format of the defence debates. It is far more rational to have a debate on functional issues, rather than the nonsense of debates on single-service issues. It is a great shame, given that our armed forces have fought a war so recently, that only 25 right hon. and hon. Members can stir themselves to attend the debate. It is important for the House to scrutinise and to influence matters.

Last Friday was an important event in parliamentary history: it was the 20th anniversary of the establishment of the Select Committee system, which enabled the House to monitor, scrutinise, reinforce civilian control and sometimes have a degree of influence. Twenty years after that new Select Committee system was established, I hope that the Modernisation, Procedure and Liaison Committees will say that it is time to give Select Committees some power so that they can discharge their obligations more effectively.

I am pleased that many Defence Committee reports have been mentioned. The strength of the Committee is that we give hell to everyone. It is not our responsibility to cheer. There have been few occasions on which cheering has been necessary. I hope that the Select Committees are given some teeth.

I want to talk about what the Defence Committee has been doing and will be doing. Manpower is pivotal. The Defence Committee report on the strategic defence review is not a ritualistic eulogy. It states:

"The quality of its people is perhaps the defining characteristic of the UK's Armed Forces. The morale, quality, training and ethos of those people are fundamental to the UK's ability to undertake its military tasks, and the success of the proposals set out in the SDR in maintaining or enhancing these elements will be one of the most fundamental criteria by which it will be judged."

That is important. We often forget that the image of the British soldier was not always the image that that soldier maintains today. The collective image of the armed forces is infinitely greater in public esteem than our own profession. They are at one end of the scale and we are, perhaps deservedly, at the other.

Mr. Duncan Smith: What about journalists?

Mr. George: The hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) was a sort of journalist when he worked for *Jane's*.

It took a long time to build the reputation and competence of our armed forces, and it has cost a lot of money to sustain that reputation, which could be undermined. It is important that the Defence Committee, the House of Commons and the Ministry of Defence—I am sure its commitment is as great as ours—and the country remain deeply grateful to the armed forces for their competence, professionalism, dedication, and willingness to endure danger, even to the point of putting their own lives at risk.

The Defence Committee took a great interest in meeting soldiers and their wives, taking beatings around the head that qualified us for battle honours. What we were told by the Army wives whom we met in the officers' mess was often of greater significance than session after session listening to platitudes from Ministers and senior civil servants. On one occasion, we were discussing lessons to be learned from the Falklands. On the table in front of us was a set of Army boots. I thought that it was commendable of the Defence Committee to be prepared to consider how we, as a nation, have failed to procure a satisfactory set of Army boots over the years. As far as I am aware, we have yet to produce a satisfactory set.

The Select Committee has always concerned itself with medical issues—with compensation, and with the need for Government to be reminded about such matters. It is not a sense of duty that prompts me to pay tribute, on behalf of the Committee and other hon. Members who are present, to our forces in Kosovo, Bosnia, the Gulf and Northern Ireland. At the end of the year, we shall visit the garrison in the Falkland islands.

The professionalism of our armed forces is legendary, and deservedly so. We hear that their numbers are to be reduced to give way to others, and the presence of others will be welcome; but we must remember—although it is difficult to say this to those "others"—that there must always be enough serious professional soldiers in Bosnia and Kosovo. Although their contributions are necessary in a military and political context, and although we need

their mine clearance work and ambulance units, the ability to overawe is the essential prerequisite for a peaceful environment in which all the forces of NATO and other parts of the world will be working.

In its excellent report on the strategic defence review, the Select Committee made a number of commitments, and gave a number of undertakings relevant to personnel matters. It said that it would monitor whether readiness targets were manageable for individual service personnel and formations, and coherent across the three services. That is particularly relevant to the current circumstances in Kosovo and Bosnia.

My hon. Friend the Minister is absolutely right: our forces were deployed as swiftly as was humanly and physically possible. I do not think other countries could have achieved such a level of competence. However, I am still to be convinced that all the formations that were not deployed could have been deployed had it been necessary to mount a serious military operation. We are embarking on a protracted inquiry into the lessons of the Kosovo conflict.

The Committee also agreed to monitor progress in the tackling of problems in the defence medical services and to examine the work of the defence secondary care agency. An earlier report on the SDR—the Chairman of the Committee, the hon. Member for Romsey (Mr. Colvin), performed an excellent service—stated:

"the staff shortages in the Defence Medical Services are so serious that it is not clear whether it will ever recover. It is possible that the military ethos of medicine in the regular armed forces has been destroyed".

The endeavour to prevent that fearful apocalyptic assessment from becoming a reality is the responsibility of the Minister of State, who will give evidence to us.

I know that the Government are trying very hard, but, in some respects, the harder they try, the worse the situation becomes. Specialists in Haslar have been leaving. Morale is low; a bad decision to join Haslar might well be compounded by the worse decision to leave. The matter is subject to a continuing inquiry by the Select Committee.

The Committee also said that it would monitor progress towards the establishment of joint initiatives. Many such initiatives have already been launched: for instance, the joint helicopter command, joint force 2000, the joint doctrine centre and the appointment of a chief of defence logistics. The concept of jointery will continue to engage the Committee.

Sir Geoffrey Johnson Smith (Wealden): The hon. Gentleman speaks of jointery. He has also referred to the shortage of medical staff in the armed services. Will he bear in mind the need for his research to be co-ordinated with the work of the national health service, in which there is a great shortage of doctors, especially consultants, who are willing to stay on and to accept the extra dimension that their work takes on once they become involved in work in the armed services?

Mr. George: As most hon. Members will know, it was decided to close Army, Royal Navy and RAF hospitals. We now have trust units, and doctors who deal with drug problems on Saturday nights. I am talking about non-service men. That is of some advantage, but when the Committee said that the military ethos was being destroyed, we were thinking of the fact that many doctors in the services were involved much more in the NHS and the treatment of civilians than in the treatment of soldiers.

When I asked whether injured soldiers who arrived in accident and emergency units benefited from any special facilities, I was told that they must take their place along with the rest. I am not entirely happy about that. It is wonderful for the NHS to have a supply of additional doctors, and it is wonderful for Gosport to have a special facility; but, ultimately, the Select Committee and the Ministry of Defence are concerned about medical facilities and services for the armed forces. There is still much more work to be done and much more money to be spent before some of the near-catastrophes of the last decade or so can be dealt with.

The Committee's report asks for future statements on the defence estimates. As I recall, the last was made in 1996. We want future statements to feature clear statistical analysis of actual training times and operational deployments under the Army's new "readiness cycle" structure, to identify the causes of significant deviations and shortfalls, and to set out MOD proposals to remedy them.

We have said that we will monitor progress to deal with Army manpower shortages, a task that will clearly keep us engrossed for some time. We have also said that we will monitor ethnic minorities, and the number of women in the forces. I recall the indifference—if not hostility—that greeted the Committee's reports on ethnic monitoring as long ago as 1986-87: some regiments, and the MOD, were opposed even to the simple task of monitoring numbers. In the mid-1980s, the MOD was unwilling even to identify ethnic minorities in terms of cap badges. It took adverse reports, a good deal of effort on the part of Ministers and the intervention of the Commission for Racial Equality in humiliating a particular unit for serious endeavours to be undertaken to bring about a degree of equality in personnel, and to protect members of ethnic minorities who sought to join the armed forces.

We have said that we will continue to look at pay restructuring, and I hope that many of our undertakings will be set out in the forthcoming defence White Paper. I am sorry, as we all are, that it was not published in May, but that is understandable. We look forward to its publication in the autumn.

Paragraph 377 of our report states:

"The challenge of recruiting and retaining service personnel of the quality, and in the quantity, that our Armed Forces need to deliver on their missions is one of the most critical and intractable challenges that the SDR faces. The whole package outlined in the Review will stand or fall depending on whether the MoD meets the challenges. The SDR outlines many welcome initiatives to improve recruitment and retention. Currently, though, these remain paper exercises. It will be difficult to assess objectively the impact of the various measures; we have been told that both qualitative and quantitative assessments will be made and we expect these to be made available to Parliament. For the moment, however, we feel that there is a great element of untested optimism that these measures will produce the improvements to recruitment and retention promised."

We ended optimistically by saying:

"It is our sincere wish that they will not founder on the rocks of reality, and we welcome the obvious commitment of Ministers to pursue these initiatives zealously. They must also be backed with the necessary resources."

The question of overstretch, like that of welfare facilities, is very important.

[Mr. George]

On compensation, soldiering is a dangerous career. Those who want a quiet life should enter careers where there is less risk to life. We protect our armed forces as far as we can. It was refreshing, almost exhilarating, to hear the tributes to the two soldiers who died. In the conflict in the Caribbean during the Napoleonic wars, there were 100,000 casualties in a useless diversion to protect our sugar supplies. I doubt whether many there were many speeches expressing abhorrence at such loss, but I caution those hon. Members—I doubt whether many are in the Chamber now—who think that we will escape large casualties in future. In a sense it was not a case of escape this time, because we were careful not to put our soldiers' lives at too much risk, but cosseting and protecting soldiers to such an extent that they go nowhere near danger will make it impossible for the Government to achieve their military and security objectives; that applies even more to the United States.

One story concerned me. I apologise that I did not raise it earlier with the hon. Member for Salisbury (Mr. Key), which I should have done. He apparently said that the row over £27 million in damages for injured soldiers was "extraordinary" and an illustration of the "compensation culture" affecting the MOD.

One should not necessarily find it extraordinary that money paid in damages has risen from £11.9 million a few years ago to £26.7 million. Perhaps some compensation payments do make the blood of the *Daily Mail* reader boil. I hope that the information that the hon. Gentleman requested will be provided, but it is wonderful that the MOD appears to be more concerned about making payments.

Again, I recall from the Defence Committee the MOD being unwilling to accept that there was any correlation between attending the atomic tests in the Pacific in the early 1950s and illness. There was slowness in dealing with Gulf war syndrome. There were cases of soldiers on United Nations functions not receiving compensation because they were not in an active war. I hope that the MOD will feel it necessary to act. I am delighted that the Minister has announced that there will be a joint inquiry with the Department of Social Security.

A few years ago, the Defence Committee threatened a pre-emptive strike. I am delighted that the MOD is undertaking its own inquiry, which will, of course, be subject to scrutiny by the Defence Committee and the Select Committee on the Armed Forces Bill in due course.

Mr. Key: What I found extraordinary was that the MOD said that it could not tell me why it had had to pay that money except "at disproportionate cost". I agree with the hon. Gentleman. We reviewed the matter on the Defence Committee. We said that it was important that there should be a review of compensation arrangements in the MOD. Indeed, the Government pledged themselves to that some two years ago. I am sure that the hon. Gentleman, like me, hopes that they come to a speedy conclusion on the matter because it is an important part of the human resources package for our armed forces.

Mr. George: I thank the hon. Gentleman. I recall one of my constituents, the best shot in the Territorial Army, being on an exercise to raid an Army camp to test its security. To save the MOD some money, he and his colleagues drove in his vehicle. They got dressed, blacked up their faces and achieved their objectives. The soldiers who were on guard were so angry that they chased after them, rammed my constituent's car and destroyed it.

When my constituent wrote to his insurance company, it told him to go and jump in a lake because such a use was not within the terms of his insurance cover. When I wrote to the MOD saying, "Come on. Surely this is your responsibility," it declined. The result was that the best shot in the TA left the organisation. I suspect that, on occasion, the MOD guards public funding too well.

I am sorry that I am going on at greater length than I should. On the Gurkhas, I had no sense of guilt last week when I asked the Secretary of State for Defence ever so politely whether, in the light of the unfortunate death of two Gurkha soldiers, he would look again at the mode of payment and compensation. We all know the arguments, which are advanced loudly: "There is an agreement with India and Nepal; wages are low, but we boost them with incidentals; do not shout too loudly because, if the cost of Gurkhas rises too far, they will be dispensed with; the cost of living in Nepal is so low."

However, it simply does not look right. What the present and previous Governments have done is objectively right, but it simply does not look right. I am delighted that the Minister is reviewing the matter. Perhaps the families of those unfortunate Gurkhas will have the slight consolation—if there can be any consolation from such a disaster—that their deaths might have led to a review and an improved pension arrangement. The idea of £500 one year after death looks obscene.

On the Military Provost Guard Service, I have been interested in—indeed, obsessed by—policing and security in the MOD for a number of years. The Defence Committee asked for assurances that, when the previous Government's inquiry into the service ended, it would be consulted before any decision was taken. The commitment was made not by the present Minister, but his predecessor, who said that the Defence Committee would examine the experiment and produce a report before the implementation of any decision. I hope that the Government fulfil that commitment.

I was amused by the fact the soldiers' service will be limited to their travel-to-work areas. I recall the famous Army folk song, uttered in the era of Queen Anne, which perhaps would not apply today. It would probably go, "The Queen commands. We all obey. Over the hills as far as Wolverhampton." Anyone employed in the service in my area will, for 11 months of the year, be limited physically to Warley, Wolverhampton and the southern part of Walsall. It may not be quite the soldiering that one joined for, but the idea is right. Some people may not want to travel, or to indulge in the life and the nights out of bed that a normal soldier, sailor or air man is obliged to undertake. The scheme for the Military Provost Guard Service to relieve full-time soldiers has to be a step forward.

I enter a caveat. I am not a spokesman for the Defence Police Federation. It is the one police federation that does not need to pay people to speak on its behalf. One thing is certain—MOD policemen will be replaced. I am pleased by what the Minister has said—it will be reinforced in an inquiry that the Defence Committee is about to conduct.

There is a critical mass in the MOD police. The Government say that it is 2,500 to 3,000. I would say that it is nearer 3,000 than 2,500. When we replace MOD police with soldiers or private security, God help us if the numbers go down to such a point that the police force becomes almost impossible to operate.

The Defence Committee is committed to many inquiries involving personnel. We are visiting the Falkland Islands. We hope to receive an invitation to visit Kosovo. We go to Northern Ireland every year. We are engaged in the continuing inquiry into Gulf war syndrome. We are engaged in a study of defence medical services. We are monitoring TA restructuring. We are looking at science and the MOD and, in particular, the Defence Evaluation and Research Agency. It is a personnel issue. In the Defence Committee's view—I say it in advance of the Committee report—if DERA is privatised, it will be an unmitigated disaster.

I know someone who could not get in the Army because he had asthma. He wanted to work within the public ethos, so he joined DERA; there are many such cases. If that organisation is shunted off into some form of semi-privatised status, it might do untold damage to its morale.

I am not certain whether our American colleagues will be prepared to be as free in sharing information with a privatised company as they have been with an agency of the Ministry of Defence. I therefore hope that my very good friend the Minister for Defence Procurement—a man of great and independent thinking, and of formidable stature—is not being bounced by the Treasury on the issue, and that the Government will not go down that route.

Mr. Brazier: I am very grateful to the hon. Gentleman—my Select Committee Chairman—for giving way on this point. Does he accept—and share my dismay—that one small indication that the decision on that critical, scientific issue may be going in the wrong direction is that the MOD's principal finance officer is chairman of the MOD sub-committee examining it?

Mr. George: I am sure that the hon. Gentleman has no intention of alleging any financial skulduggery or any impropriety—any more than I did by saying that, if the sale goes ahead and is a management buy-out, Barbados would be the appropriate place for the Committee to conduct its follow-up study of the sale. Management buy-outs, followed by a swift sell-off, usually result in a swift move to places nicer than those in which the Ministry of Defence currently operates.

The Defence Committee will continue to visit our armed forces, and to talk to their wives—and, consequently, to be brutalised.

I hope that our Committee will continue in its consensual manner. We, too, are suffering from great overstretch. The command authorities are pushing their forces intolerably. Similarly, last Session, the Committee had 100 meetings, which must be way beyond the number of sittings held by any other Select Committee. Nevertheless, we are doing our job in protecting the interests of this country and of our wonderful armed forces.

I am an unashamed admirer of Rudyard Kipling, the most politically incorrect of all authors. In a poem on Thomas Atkins, he said:

"There'll surely come a day,
When they give you all your pay,
And treat you as a Christian ought to do,
But 'til that day comes round,
Heaven keep you safe and sound
and Thomas, Here's my great respect to you".

I hope that we will not need the intervention of the Almighty to ensure that our forces are properly paid, properly protected and properly armed. If that can be done, they will continue to serve our society, our alliance and the world community as effectively in future as, I am proud to say, they have done in the past and are doing now.

3.53 pm

Mr. Tom King (Bridgwater): I certainly join in the final comments of the Chairman of the Select Committee on Defence, the hon. Member for Walsall, South (Mr. George), and pay tribute to the Committee's reports. I should add that I am sure that his confidence in the approach to the situation at the Defence Evaluation and Research Agency is not based on any previous acquaintanceship with Lord Gilbert on the Committee.

I have listened to the traditional—but heartfelt—tributes paid to our forces by Front Benchers on both sides of the House. However, those tributes are meaningless unless the people to whom they are paid know that those who made them really have their welfare at heart and are prepared to back up those tributes. The most obvious bit of initial training that any young officer receives is that the welfare of his men is his first responsibility. I certainly sought to employ that philosophy when I was a Minister, and I hope that current Ministers realise that the welfare of our armed forces should be their top priority if they are to achieve effective defence for our country.

I had not intended to speak in this debate—which is part of our new structure for defence debates: one debate on defence personnel, and another on defence equipment—but the issue of armed forces personnel is the greatest single challenge facing Ministers and the Ministry of Defence. I therefore regret the absence from the debate of the Secretary of State. I should not necessarily have insisted that he speak in the debate, but his presence would have been a symbol that he appreciates the serious situation facing him.

The Secretary of State did not create the current situation, but Secretaries of State for Defence have to inherit and resolve other people's problems. I had the responsibility to ensure that our country was able to discharge honourably its undertakings, whatever those might be. Nevertheless, the challenge facing the current Secretary of State is much greater than any we have faced before. I am worried about the situation, which is why I intervened on the hon. Member for Walsall, South.

As the Select Committee said, we can deal with overstretch in one of only two ways: increase recruitment or reduce commitments. The Select Committee's report on the strategic defence review was published almost a year ago, in September 1998. What has happened since then? The Minister was quite frank about what has

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happened: retention is poor; recruitment is difficult; and commitments have manifestly increased enormously. We now face an acutely worrying situation.

I tell the Minister for the Armed Forces that his speech gave me no reassurance. We know about the type of measures that he described, such as more home telephone cards. Such welfare measures are important—my God, they are—and were probably taken by us for the first time in the Gulf. However, they are only palliatives in trying to deal with the type of problems that we face. I worry acutely about whether the Government are seized of the seriousness of the problem.

I am not given much encouragement—I fear that the Select Committee will not have been either—by the Government's response on overstretch. The Select Committee devoted about 30 paragraphs of its report to the issue, but all it received from the Government in response was seven lines—in paragraph 97—stating:

"we do not believe that there is a single standard or correct method of calculating overstretch and associated family separation."

The Government went on to say that they wanted

"a greater degree of coherence across the Services . . . The feasibility of setting up appropriate mechanisms is being examined."

That was the totality of the Government's response to the issue of overstretch.

The hon. Member for Walsall, South knows as much about defence as any hon. Member—although I am not sure whether 20 years on the Defence Committee is an achievement or a punishment—and has a fund of knowledge. I recognise the absolute validity of his comments on overstretch. In my time as Secretary of State for Defence, there were criticisms about overstretch. I went to the Ministry of Defence from the Northern Ireland Office. Northern Ireland was the cause of unaccompanied tours. Although we had plenty of forces in Germany, those tours were accompanied, as were tours in Hong Kong and Cyprus, for example, to which people were happy to go and to take their families.

Northern Ireland injected into our forces a strong element of unaccompanied tours. Although some regiments had accompanied tours, many of them—in places such as Fort George, Londonderry and by the border—were unaccompanied. Therefore, when I went to the Ministry of Defence, I was conscious of the pressure that such tours created in the Army. I spoke with some of our service men serving in Northern Ireland—such as sergeant-majors and others with long Army careers—and asked whether they had been in Northern Ireland before, to which many said that they were on their sixth tour. The fact is that the frequency of those tours was a function of the number both of our forces and of our commitments.

In "Options for Change", I sought to tackle that problem, but the Gulf war put everything on hold. We froze everything and made no further reductions. I saw the challenge that we would have to face and my ambition was to ensure that, having made the sensible changes that were necessary following the end of the cold war and the reduction of our forces in Germany—which was the main consequence of "Options for Change"—we established some predicability about tour intervals so that people would know where they stood and we would not make unreasonable demands on them.

Mr. Brazier: I am grateful to my right hon. Friend and seek to expand the point he made, which also applies to the Falklands. Is there not a huge contrast in that, during our third major conflict in 20 years, the present Government have chosen not to put change on hold? They are going ahead with the cuts and the break-up of the 5th Airborne Brigade before we know when the conflict in Kosovo will be over and what the garrison situation will be there.

Mr. King: In my opinion, such action is foolish. We did not do that; we froze everything during the period of uncertainty because we could not be sure what our commitments would be and how long they would last. What the Government are doing is incredible. Obviously, the strategic defence review has been partly blown out of the water by events. The Government are not to blame for that as none of the recent major events could have been predicted—the Falklands, the Gulf or the long-term situation in the Balkans.

I watched with great disappointment because my ambition was not realised. As we moved through "Front Line First" and the defence cost studies to what seems to have been a period of continuing and permanent change, I felt deeply that the services were entitled to expect a period of stability. The Select Committee called for that on a number of occasions. I must say that I was deeply depressed by what happened. Political realities being what they were, I knew that we would face a review by the incoming Government. I hoped that they would get on with it and complete it as soon as possible so that the forces would have a measure of stability.

The Government gloried in how extensive the consultations were and how long the process lasted. I do not think that too many people within the services thanked them for that; they were longing for a conclusion and to know where they stood.

Our forces are now facing a quite exceptional additional commitment. As the Chairman of the Select Committee said, if war comes, we have to address it and our forces have to meet new commitments. The strength of the Army—and I worry about whether Ministers really understand this—is the willingness, enthusiasm and sense of responsibility of those who serve in it. When Ministers say, "Can we do it?" they have an instinctive desire to say, "Of course we can. We'll do it somehow, don't you worry. You can rely on us." Our armed forces are enthusiastic, determined not to appear inadequate and proud of what they can achieve. They face up to their responsibilities and they will do anything to meet any immediate challenge or emergency, but the present challenge is sustainability.

What is happening behind the scenes—not as a conspiracy or an undercover plot—affects every home. Every soldier serving in Kosovo is asked by his wife, "How long do you think you will be there? Will you have to go back? Do you think that you will have to go to Northern Ireland if problems continue there?" The frequency of commitment represents a serious challenge. That point was made by my hon. Friend the Member for Mid-Sussex (Mr. Soames), the predecessor of the Minister for the Armed Forces. I referred to unaccompanied tours and the need for some tour intervals in terms of family welfare; he spoke about the gap between tours providing an opportunity for training. It is no good paying tribute to how wonderfully trained our forces are—because they have had the opportunity for training—if we are so

committing them to operational duties and activities that they never have time to pull back, take a break and get some more training.

Our armed forces comprise two types of person. Some young men and women may not be sure about what they want to do or they may want to see something of the world, so they enlist on a short-service basis. They may start on that basis, but then decide that they like the Army and stay on. Others wish to make the Army their career. They are the skeletal fabric of our armed forces—the majors, the captains, the sergeant-majors and the senior non-commissioned officers. They are the corporals commanding the brick whom the hon. Member for Tatton (Mr. Bell) knows so well and has seen operating in Northern Ireland and in Bosnia. Those people are the fabric of the organisation into which new recruits come. They provide leadership for the young men and women to whom the main recruitment drive will be directed. However, one sergeant serving his seventh tour of Northern Ireland told me, "I'm in trouble at home. The wife won't put up with it any more, so I'm getting out." That is the challenge.

I do not know whether Ministers accept this, but they have taken on another Northern Ireland. When I became Secretary of State for Defence, Northern Ireland was effectively the only place for unaccompanied tours. At that time, about 10,000 troops were sent on unaccompanied tours in Northern Ireland. Some of the other troops there were accompanied. Now, the number of troops on unaccompanied tours has been doubled. There must be at least 10,000 troops on active service in the Balkans. The position is unsustainable.

If I sound somewhat emotional, it is because I care deeply about our armed forces. One of two things will happen. Our armed forces will get thinner and thinner, and it will become a vicious circle. As my hon. Friend the Member for Croydon, South (Mr. Ottaway) among others, including the Select Committee, said, retention will gradually decline so that our forces will no longer have the key people that they need. Then, when the regiments change over, the outgoing regiment will have to borrow from the regiment that has just returned. Some people will do that for a short time, but eventually they will say, "I'm sorry, but I can't do it again. It is either my family or my job and I have to put my family first." As a result, our forces could rapidly crumble away.

I accept that the new situation in the Balkans demands a high standard of soldiering. We have paid tribute to our armed forces, and many television journalists who have recently come back from Kosovo pay the most glowing tributes to the way in which our armed forces conducted themselves. That is because they are highly trained and experienced. If that training starts to fall away and our forces do not cope quite so well, they will start suffering casualties as mistakes are made. The vicious circle will expand, there will be problems with retention and people will lose confidence in those with whom they are serving.

That is the challenge for the Government. The Chairman of the Select Committee is absolutely right to say that meeting that challenge will cost more money. There is no doubt about that. We have taken on extra commitments so we shall have to revisit the defence budget. It is not enough for the Prime Minister to say, "We will play our role in the world". It is quite clear that he will now have to fund that commitment.

An exceptional effort will be needed on recruitment and retention, well beyond what the Minister has announced. The messages being given to us resemble those of a normal armed forces debate, but something exceptional is required. The Minister has been unable to answer questions about tour intervals or about how long we will be in Kosovo, and with how many troops.

The Minister has a duty to protect the integrity and capability of our armed forces by insuring against the worst. It is his urgent responsibility to take on the challenges that I have outlined. My sole purpose in speaking is to try to make the Government understand that the Select Committee's report is right. A major challenge lies ahead of the Government, and they must show our armed forces that they are prepared to address it.

4.11 pm

Laura Moffatt (Crawley): It is easy for Members of Parliament to sound like Mr. Grace of "Are You Being Served?", who comes down from the board room to the shop floor to tell the workers, "You are all doing very well", but has no idea what is going on. However, the Members present in the Chamber clearly care about our armed forces.

I should like to share the experiences that I had when I accompanied the hon. Member for Romsey (Mr. Colvin) and my hon. Friend the Minister for the Armed Forces to Italy and Macedonia at the height of the bombing expeditions. Seeing people in action has left a lasting impression on me. We visited many bases in Italy, then went on to NATO headquarters in Macedonia. Before the British troops arrived, the headquarters building was a shoe factory that had been empty for five years. It was in a disgraceful state—filthy and uninhabitable—but within six weeks, it was clean and orderly, and three hot meals were being served each day. The improvement was admirable, and I send my best wishes to everyone we met.

In addition to seeing bases, we went to the front line in Kosovo, and a general told me that the Prime Minister could not possibly be taken there because it was far too dangerous. I thanked him for sharing that heartening information. We visited camps in which our armed forces were working diligently to provide clean water. The visit was an experience that I shall never forget. I saw professionals getting on with the job that they had been highly trained to do. We train them not only to fight, but to be able to deal easily with the locals, humanely and with understanding. They related well to what was happening in Kosovo, and they are doing much good.

On the ground, our troops were fully occupied, but it was different for those serving on HMS Invincible, where I was lucky enough to spend a night. The sailors said that their lives were like "Groundhog Day". It was symbolically important to place HMS Invincible in the area, and the ship was intercepted in order to be sent there specifically. The crew was pleased to be there, but the sailors felt that they wanted to take part more meaningfully, which was impossible as they were there to be used only if needed.

The major complaint of the sailors was lack of inform ion. I was pleased by the Minister's announ ement about ensuring that we upgrade technology to let armed forces personnel contact friends and family more easily. One young officer told me that he received all his information from his wife during his weekly

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10-minute free call. It is sad to think that someone so close to what was happening should find out about it from back home.

We must modernise our armed forces' equipment. On-line newspapers are essential, and information available to HMS Invincible was later taken by helicopter to HMS Newcastle. Satellite television is also critical. The Army had access to satellite television, but it was not available to those who served on HMS Newcastle. E-mail is a crucial means of contact; indeed, many Members of Parliament use it. One computer terminal is not enough—the armed forces need more, dedicated to allowing our personnel to pass messages home.

I am pleased to hear that 70 per cent. of armed forces posts are now open to women. However, unless we modernise, accommodation will not be available for women on ships. Modernisation is not appropriate for HMS Newcastle. The ship is an old lady, and it is not worth making the change, so consequently it has to be an all-male ship. I welcome the changes on HMS Invincible that will allow 110 women to play a part in engineering and in other areas. We must continue that process.

We must also modernise by allowing people to participate in debate. The armed forces are ready for a proper debate on whether homosexuals should be able to serve. The forces are grown-up people, fully able to consider that question. It would distress me if a decision was forced on the House of Commons. It would be better if an inclusive way forward could be found, so that the armed forces could say that life had moved on in many areas and change was acceptable. They could then debate areas in which there would be no problem, and those in which there would be difficulties. We should discuss the matter with our armed forces personnel. I do not want a human rights decision to be imposed on the Government. I sincerely hope that we will take the step ourselves.

I saw our professional forces working together—Army, Navy and Royal Air Force—but it was tremendously uplifting to see them work well with forces from other countries. We should be extremely proud of them.

My hon. Friend the Member for Walsall, South (Mr. George) has alluded to the investigation made by the Select Committee on Defence into defence medical services. As a former nurse, I have taken tremendous interest in that, and I know the difficulties.

The Government have tackled the problems of overstretch. Many methods can be used to encourage people into the armed forces. We cannot rely on just one means. Encouragement cannot rely only on pay. We should be proud that the numbers entering and leaving the forces are almost in balance. In fact, the number entering is increasing, and we should congratulate the Government on that. I very much welcome the increase of 2,000 in establishment for the defence medical services. We must encourage people to volunteer for the reserve forces for the defence medical service.

My word of caution results from my experience of recruitment campaigns in the NHS. We face enormous difficulties because of the enormous difficulties that the NHS faces. I only hope that the discussions between top-level NHS personnel and armed forces personnel are going well. We must encourage our trusts to get nurses and doctors to think carefully about joining the armed forces in the medical service.

Mr. Brazier: Does the hon. Lady agree that it is time that the Ministry of Defence took the British Medical Association's military committee and the nursing unions seriously on this subject?

Laura Moffatt: I believe that that is beginning to happen, and that pressure is being brought to bear by the Select Committee on those concerned to get around the table. Those bodies must understand the difficulties in terms of recruitment.

Having spent two years on the Defence Select Committee and having visited our armed forces personnel, I can say that it has been a tremendous experience. It has enriched my life—although I doubt whether I have enriched the lives of the armed forces personnel.

I repeat that it is easy from this cosy Chamber to say that our armed forces are a wonderful bunch, but we have a duty to make sure that they are highly trained, and I think that the Government are tackling that well. We must ensure that they are provided with the best equipment, and smart procurement is beginning to do that job. We must ensure that they have a modern outlook, particularly in terms of encouraging those from different backgrounds and women into the armed forces.

We must ensure that our armed forces are commanded by people of stature and principle, as that is important to keep the confidence of the armed forces. Those armed forces must know that they have the whole-hearted support of the House.

4.23 pm

Mr. Mike Hancock (Portsmouth, South): I welcome the hon. Member for Croydon, South (Mr. Ottaway) to his Front-Bench post and I wish him well for the future.

I wish to address one of the points made by the hon. Member for Crawley (Laura Moffatt). She referred to communications from ships or shore to the UK. That is all very well, but we must make sure that e-mail is a two-way thing, and that kit for families in the UK is provided at a time and a place that are convenient for them. I represent many service families, and I have learned of the great difficulties that they face and the distress that is caused when telephones are out of action or delays occur, and when people have to wait many hours for their turn to use the telephone. It is no good extending capability if that is done in only one direction. If the Ministry of Defence is serious about that issue, it must address the situation here as well as abroad.

Like many others, I welcome the change in the style of defence debates, which is long overdue. The old single-service debates had long passed their useful purpose. A general debate covering procurement, the general role of our armed forces and personnel matters is a more serious attempt to get to grips with the problems.

The debate is opportune, as it follows yesterday's publication of the National Audit Office's report on major projects. If I were serving in the armed forces today, I would be concerned that a £3.5 billion overspend is identified in the report at the same time as we are seriously undermanned and overstretched. I hope that we can address some of those problems.

I was somewhat heartened when the front page of last night's edition of *The Portsmouth News*—representing the home of the Royal Navy—carried a story by the paper's defence correspondent, Adrian Wills, who was able to get a quote from the Defence Secretary on overspend. The right hon. Gentleman referred to great mistakes, and said:

"I find this personally offensive as Defence Secretary, as our troops don't get their equipment on time and they don't get it in an efficient way."

I could not agree more. There is no better way of sapping the morale and confidence of our forces than to tell them that they must do more with less, and that the promise of new equipment is many years late.

Of the 25 projects identified in the report, eight will miss their in-service date by more than five years. What on earth do Ministers believe that will do to the morale in the services? The average delay for any project assessed was three and a half years, and only two of the 25 will meet their in-service targets. We have heard that those 25 projects have overrun, and overspent to a cost of more than £3 million. I would be interested to know by how much the next 50 projects in the procurement budget have overrun, and how much they have cost. Those costs are important.

It is all about what resources are available—whether it is to keep pilots in the RAF, or to keep ships at sea with a full crew deployed for less time. It must be disheartening and frustrating for sailors in the Portsmouth area to read that the crewing costs for HMS Intrepid—which has been tied up in the docks since 1991—have been in excess of £12 million.

Fully trained and well-qualified sailors have been on HMS Intrepid for that period. At the same time, we have sent 46 ships to sea in the last year undermanned. Where is the logic in that? HMS Intrepid has been in reserve since 1991, and probably will be there until she is finally scrapped around 2004. What on earth do Ministers believe that that expenditure and that waste have done to service morale on board undermanned ships in the Adriatic and the Gulf?

Was it right to have sent HMS Invincible to sea on her last deployment, even though she was delayed coming home? No effort was made to bring the crew size of HMS Invincible up to its recommended complement during that deployment. At no time did HMS Invincible have her full complement on board. Those issues are real, and difficult for crews to understand and for commanders to manage—but they do it.

As hon. Members have rightly recognised, this House and our nation owe a debt of gratitude to those men and women who serve in our armed forces. From time to time, they question the decision-making processes in the House and the Ministry of Defence. They do so openly and—as the hon. Member for Walsall, South (Mr. George) suggested—in a rather pushy and forceful way, which left the hon. Gentleman in no doubt of the sincerity of their concerns about the issues.

Recently, the hon. Member for Salisbury (Mr. Key), the Minister of State and I went to visit our airmen who had been flying missions to and from Former Yugoslavia, including Serbia and Kosovo. It was with great pleasure—and with a great deal of pride for all three of us—that we met those men and women who have dedicated their lives to the service of this country. Many are very young, and they have served their country with great distinction on three occasions in times of war.

We met one squadron which had flown more than 900 missions. However, on leaving Bari, they expected not to return to the United Kingdom or to Germany, but to be sent to the Gulf—another deployment on the back of their current one. They told us of the strain, not only on the pilots who had flown 900 missions, but on the several hundred men and women who put the planes in the air, kept the pilots briefed, and kept them fed and safe on the ground. The enormous strain on those units was apparent to all. People did not spare our embarrassment by confronting us with their strong concerns.

The RAF is not unique; the experience is the same for the Royal Navy.

Mr. Key: I agree with the hon. Gentleman's every word. At one point, the small number of pilots, who had carried out more than 900 bombing missions, realised that their night-flying and low-flying skills had slipped from lack of use, so they returned to the UK in the middle of the conflict to get their training up to standard. Does he agree that that was a particular mark of the professionalism of those RAF people? I bet that not another air force in the world would do that.

Mr. Hancock: I thank the hon. Gentleman for that intervention. I support his remarks. We were all gobsmacked when the young wing-commander in charge told us that seven members of his squadron had returned to the UK to bring their night-flying skills up to date. That was a measure of the commitment not only of those young men but of the RAF, because it ensured that there were people with the competence to carry out those missions. However, one might seriously question whether their training was sufficient in the first place, because, although those young pilots had been deployed in a battle scenario, they had to return to the UK to ensure their continued competence to fly those missions.

During the past two years, 19 ships of the Royal Navy were deployed for more than six months; it had not originally been planned to deploy any of them for that length of time. However, the Secretary of State for Foreign and Commonwealth Affairs continues to widen our commitments and to take on more pressured jobs that pose more problems for the Royal Navy. It is neither right nor fair that significant shortfalls in personnel are still a major problem. The Navy alone is short of 1,600 personnel; in the Army, the figure is 4,700, and in the RAF, it is 1,800. Those figures were given in parliamentary answers as recently as early June. Ships at sea—HMS Gloucester, HMS Exeter, HMS Birmingham, HMS Illustrious and HMS Sheffield—have significant shortfalls in particular warfare branches. Those branches are vital both in wartime and, more important for the crews, in maintaining the defensive capabilities of the ships.

As other hon. Members have pointed out, we continue to have a problem of pilots leaving. The Navy is short of about 12 pilots and seven squadrons are undermanned. We are aware of the saga of the plight of RAF pilots, who constantly decide to leave the service early, and of the Government's approach to that problem.

I was heartened by the Minister of State's response to those pilots, some of whom were weeks away from having to make a decision whether to leave the RAF. All of them thoroughly enjoyed their life as pilots; they were grateful

[Mr. Hancock]

that the nation had invested £3 million in training them. However, many of them had already decided to leave, and were in their final two years of service. They told the Minister, the hon. Member for Salisbury and me of some of the problems that they faced at the age of 32 or 33. They had joined the service as unmarried young men, and enjoyed their life, their training and the experience of developing new skills. As they grew older, they had married and started families. At that point, they faced decisions about their long-term future.

One of them calculated that, if he left the RAF when he was 39—having given 20 years of service—he would leave with a £55,000 cash pay-out, plus a fairly substantial pension. He suggested that he might stay in the service if part of that £55,000 could be paid at times when it was most needed—for example, when the family were looking for their first permanent home, or wanted to pay for the children's education, or for the other things needed by a young family. He put that point to the Minister, who said that he would find out whether such payments could be included in a retention package for pilots.

An American pilot, who was on attachment with the Harriers, told us, and had no doubt told those pilots, that, as soon as he left the United States, his pay was tax-free. Perhaps that point should be considered when we send people to the front line on active service. We must consider what can be done about the retention package. That matter applies not only to the front-line personnel such as pilots, but to air and ground crews.

Like the hon. Member for Crawley (Mr. Soames), I was mightily impressed by the number of women who now hold senior positions and control the effectiveness of squadrons of aircraft. They are responsible for the engineering capabilities of three of the four squadrons we visited. It is a pleasure to see the success that they have made of their careers in the armed forces.

I wholly accept that major breakthroughs have been made in recruitment; I applaud them. It would be silly and selfish if any of us failed to appreciate what Ministers have done in encouraging recruitment to our armed forces. However, the problem is retention. As fast as we recruit personnel, we lose them. We must be more positive and proactive in considering what can be done to retain service men. As the representative of so many service personnel, I am aware that housing and long-term employment are among the biggest problems that they face. They do not want to live in married quarters for ever; they do not want to live for ever in multi-occupation in cities such as Portsmouth, and in the surrounding area. They want better opportunities to buy a permanent base while they are still young enough to put down roots somewhere. We should examine how we can help service men to achieve that goal. We must do much more if we are to keep those people.

We must also address some of the issues that affect the forces and the civilians around them. In past debates, I have spoken of the need to address our obligations to past service men and women—I hope that the Under-Secretary will consider those issues. I want to tackle some of them today. I was disappointed in the most unhelpful—indeed, apparently unfair—dismissal of the points that I made, and that had been made many times, on behalf of the nuclear test veterans. I quote the Under-Secretary's reply:

"The hon. Gentleman said that the case of the nuclear test veterans had not been examined. The case has been extremely well examined. I regret that he does not accept the answers that we, and the best scientific advice, have come up with. The case has been considered by the National Radiological Protection Board, not once but twice. People are entitled to make criticisms, but if they do so from a scientific standpoint, they should do it in proper scientific papers. Those papers should be published in peer reviewed journals so that they can be subjected to the scientific method."—[*Official Report*, 10 June 1999; Vol. 332, c. 873.]

We are talking about a period from the early 1950s until the beginning of the 1960s, when young men aged 19 were asked to sweep down the decks of ships that had sailed through nuclear bomb clouds. In shorts and khaki shirts, they brushed down those decks. We are talking about men who were asked to pick up debris on islands where nuclear devices had been exploded, and who were not given proper protection or clothing. In the main, they were national service men, who had been in ordinary jobs. Many of them were subjected to horrendous illnesses, and we asked them produce that sort of evidence. We as a nation owe those men and their families a great debt, and we must do all we can to help them. Like many of them, I was hurt by the dismissive way in which the issue was treated the last time.

The Parliamentary Under-Secretary of State for Defence (Mr. John Spellar): I am sorry that the hon. Gentleman cannot accept scientific analysis. Once again, he has come up with emotive arguments, but has not dealt with the fundamental issue, which is that two scientific studies, properly published, have indicated no greater incidence of cancers and other conditions among nuclear test veterans compared with the general population. If there is an argument to be made against those studies, a proper scientific study must be carried out, published and subjected to proper scientific criticism. That is the way in which we make decisions; we do not base our decisions on arguments that do not use objective figures or on emotive statements.

Mr. Hancock: That is a fair challenge, but let me challenge the Minister. These people do not have the resources or the scientific background to do what he says that they should do. They are normal men who, when they did their service for this country, were subjected to duties that no one in this room today would volunteer to carry out, and they and their children have suffered because of that. Lives have been lost.

Is the Minister prepared to state that the Ministry of Defence will fund a study on behalf of the veterans—a final conclusive study? Will he take up the matter with the veterans, make them that offer and give them the opportunity that they need? They do not have the necessary resources to do it themselves—many of the men are now in their late 60s and early 70s, and many have not worked for many years because of illness. Do not, in a cavalier and dismissive way, suggest that someone will finance a £1-million study—that is not a viable suggestion. The Minister uses the same excuse that the Conservative Government used. Let us be more constructive and more helpful to the veterans.

The second issue is that of the Gurkha soldiers, and I am delighted that so many hon. Members have already raised it. My association with the Gurkhas in Hampshire

goes back 20 years. I was proud on behalf of the county to present the Gurkhas with the freedom of Hampshire in recognition of their long and devoted service to the nation and the role that they have played in the community of Hampshire, especially in the Church Cookham and Aldershot area.

I welcome the promise of the Minister for the Armed Forces to review the position, but the tripartite agreement between India, Nepal and the United Kingdom is flawed, because there is, in effect, a veto on the part of Nepal and India. We all know that we have done a great injustice to the Gurkhas and their families, who have served this country so well. No one can doubt their commitment—one only has to spend five minutes in the museum in Winchester to learn what those men have done for this country during the past 100 years.

Mr. Cotter: I am sure that we welcomed the commitment made by the Minister this afternoon to carry out some sort of review, but does my hon. Friend accept that we are talking about Sergeant Balaram, who died only two weeks ago and whose family is in grave circumstances? Should we not be insisting that something be done now in respect of that individual case—perhaps a discretionary payment or some other such measure?

Mr. Hancock: Of course we should, and I hope that the Under-Secretary will address that issue when he winds up the debate. Both Gurkha soldiers died in the service of this country; both died to save the lives of others. What a pity it is that the families of both are not entitled to the same compensation to safeguard their future. Both of them gave their lives on behalf of this nation and its ideals, so we should at least extend the courtesy of ensuring that both of them can be treated the same way in death and that the compensation due to the families of both of them is the same. We should not discriminate because the family of one of them happens to live on the side of mountain in Nepal, rather than in the United Kingdom.

The issue is not merely that of pensions, but of the rights of Gurkha soldiers when they cease to serve as soldiers. I have made representations to both the Ministry of Defence and the Home Office on behalf of Gurkha ex-soldiers who have not wanted to return to Nepal, because their chances of obtaining work there are extremely slim. They now work as laundry men on Royal Navy ships, but they are being hounded out of Britain by the immigration service and told that, if they want those jobs, they will in future have to apply from Hong Kong, or they will have to apply in Nepal for citizenship. Do we treat soldiers from other countries who have served in the British Army the same way? I think not.

The Gurkhas have long since proved their devotion and commitment. It is about time that this nation stopped saying how grateful we are to them and how proud we are that they serve in our armed forces, and instead showed them how proud we are by treating them the same as other soldiers. Let us give the Gurkhas the equality that all Members of this House demand from each other.

The next issue is the on-going problem of asbestos-affected service men. I should like to bring the Minister's attention to the case of Mr. Leslie Terry, of 4 Dale Park house, Portsmouth. Mr. Terry's case is well recorded and well documented and I wrote to the Minister for the Armed Forces about it. His reply was:

> "In the case of Mr. Terry, as his exposure to asbestos dust and fibre in the Royal Navy was before 15 May 1987, he is prevented by law from receiving compensation from the Ministry of Defence. The legal position is that even if an ex-Serviceman only now discovers he has asbestos related disease, he cannot sue for compensation if exposure was before the repeal of Section 10 of The Crown Proceedings Act 1947. Given that controls over the use of asbestos were introduced in 1970, this is and will be the case for the vast majority of ex-Service claimants. (The time between exposure to asbestos dust and fibre and the first signs of disease is typically between 15 and 40 plus years)."

Therefore, the MOD has no jurisdiction or right to help Mr. Terry.

Mr. Terry served in the Royal Navy from the age of 19 until the end of the second world war. Throughout that time, he served on board ships and, because he was a stoker, he was exposed to the delagging of boilers. His life is now threatened by illness, and there is ample proof as to how and why the illness came about. It is not good enough for Ministers to say that, if exposure to asbestos occurred before 1987, this man has no claim. Asbestos does not recognise the artificial barriers that we have erected, and, when he joined the Royal Navy, Mr. Terry did not know that he would have no recourse to compensation.

No reasonable person would suggest that service men should be treated differently from the miners who have recently, and rightly, been given blanket compensation for illnesses related to the mining industry, with no discrimination based on when, how or where the illnesses were contracted. The same should now be given to service men, whether they served in the Royal Navy or the Army, and to civilian workers similarly affected. We need to tackle that issue. As the Chairman of the Select Committee on Defence, the hon. Member for Walsall, South said, we need also, with vigour and enthusiasm, to continue to address the issue of the Gulf war veterans.

We must also deal with the latest shameful example of the way in which the Ministry of Defence treats its personnel. I refer to the two crew members who were flying the Chinook helicopter than crashed on the Mull of Kintyre. Those men are dead and buried, but they are also shamed by the report of the latest inquiry, and that is unforgivable. Evidence now suggests that the inquiries were flawed, and the evidence used needs to be re-examined.

I did not, for one minute, accept a word of the Minister's answer to my question about that crash. I cannot believe that nobody in the Ministry of Defence recognises the moral obligation to re-examine that case. What effect do Ministry of Defence personnel think such cases have on the morale of pilots and ground crew? Those two officers—two of the top pilots in the RAF—have had their careers stained. It is bad enough that they were killed in that crash, but it is worse still that the stigma attached to them by the inquiries remains.

Dr. Julian Lewis: In support of what the hon. Gentleman is saying, I draw the attention of the House to the fact that the rules for the allocation of blame in such accidents state that dead flying crew personnel should never be blamed unless there is no doubt whatsoever that

[Dr. Julian Lewis]

they were responsible. As the Chinook crash remains a mystery, there is doubt. The rules are therefore being broken and the men are unjustifiably being blamed.

Mr. Hancock: I could not agree more. It is a shame on this nation that senior officers and Defence Ministers are prepared to allow that disgraceful situation to continue by not permitting another inquiry. I do not know what it would take to make the Minister reconsider that issue. If the report in *Computer Weekly* is not enough, sheer compassion towards the families of those two service men should be enough to make Ministers say, "Let's give them the benefit of the doubt, re-examine the case and take care of the problem."

If the Minister is so convinced that he is right, will he explain to the House tonight—I am sure that he has been briefed on this—how the Chinook's hydraulic system became contaminated? Your inquiries did not explain that—

Mr. Deputy Speaker (Mr. Michael Lord): Order. The hon. Gentleman must use the correct parliamentary language.

Mr. Hancock: I apologise, Mr. Deputy Speaker.

The Minister will appreciate that the inquiries into the crash did not establish how the contamination occurred, and answers to parliamentary questions have not established how it happened. I am sure that the Minister must have been told how the Chinook's hydraulic system was contaminated and what part that might have played in causing the crash.

Mr. Key: I am delighted that the hon. Gentleman has also taken up this cause, on which there is cross-party agreement. All three main parties have considered the matter most carefully, and we understand the sensitive situation faced by Ministers. It is extremely difficult for them, but it cannot be allowed to go away. A fundamental injustice has been done to those two young men and their families. This is not, as the hon. Gentleman knows, simply a matter of arguments about technology and computer software; there is also a question about legal processes in Scotland and in England. The case will continue, and I hope that Ministers will realise that they must consider it in a new light.

Mr. Hancock: I acknowledge the hon. Gentleman's support. His colleagues on the Select Committee were very supportive when I tried to persuade the Committee to consider the matter. I shall work with them and hon. Members from both sides of the House to try to get justice for Jonathan Tapper and Rick Cook. We can do nothing for them except restore to them the honour that they deserve. The RAF should want to pay that debt of honour to them. I hope that Ministers will do all that they can to prevail on people in the Ministry of Defence to allow a third inquiry to take place and questions to be answered. People have a legitimate reason for asking those questions and for expecting them to be answered correctly in due course.

I welcomed the remarks of the Minister for the Armed Forces about the role of the Military Provost Guard Service and his recommended changes. As I said in my intervention, those changes are reasonable, sensible and long overdue. We should welcome the redeployment of 1,600 service personnel in a role that will be much more rewarding and fulfilling for them and the nation's defence.

The issue of the military defence police remains to be resolved, and the hon. Member for Walsall, South was right to flag that up again. I know from my involvement with MOD policemen in my area that they will want to comment on their future.

In the past few months, we have had three or four opportunities to discuss defence-related issues. We know that no one could have predicted the dramatic and dreadful consequences of the collapse in the stability of the former Yugoslav republics.

As a nation, we are fully committed to playing our part. We will not be out of Bosnia—with the best will in the world, a sensitive presence will be required—for a decade or more to come. At least a generation will have had to grow up with some semblance of peace before Bosnia is secure. The democratic processes there are not stable; we need to give much more help.

It is obvious to anyone who has even just glimpsed at the situation in Kosovo that the province will be a volatile issue for years to come. Our on-going commitment must a be real and proper one. The style of soldiering will undoubtedly change, but the requirement for a British presence is apparent to all.

We would be foolish if we did not think that that will have a knock-on effect on the defence capabilities of the British armed forces—whether naval personnel providing air support in the Adriatic or men and women on the ground. Such support will go on, but at a price. That price will be continued overstretch. Equipment will continue to be run down and deficits in training will continue to open. To address such problems, we must secure the commitment that the procurement budget will not degenerate into farce.

When the report was published last year, Ministers said that it was not their responsibility and that it was about the failure of the outgoing Tory Government. This year's report is about this Government's performance. It has examined their performance and, my God, it has not been much better—has it?

Something must be done, and in a way that gives the men and women of our armed forces confidence that they will get the kit and equipment that they need, that they will get it on time and that they will not have to pay a price for it by continuing to have to work, undermanned time and again, in pretty dour conditions, often with substandard equipment.

We owe our forces more than that. As the right hon. Member for Bridgwater (Mr. King) said, if we are to say, "Thank you", we must do so in a way that they can believe. The best way is to deliver the best equipment at the best price and on time. We must get that right, and get the equipment to them now, when they need it. If not, morale problems in our armed forces will deteriorate. The one thing of which we are all sure—are we not?—is that overstretch is having a dramatic effect not only on families but on the men and women who are at the sharp end of our armed forces. Before long, they will tell us so by leaving the armed forces in increasing numbers, and we will not be able to stop it.

5 pm

Mr. John Grogan (Selby): I shall make three points in a brief contribution to this debate.

First, I shall address the role of women in our armed forces, the figures for which are now quite striking. Of all jobs in the Army, 70 per cent. are now open to women—as opposed to less than 50 per cent. a few years ago. Of jobs in the Royal Navy, 75 per cent. are open to women, as are 96 per cent. of jobs in the Royal Air Force.

If we are to inspire the generation of young women in schools such as Tadcaster grammar and Selby high school in my constituency to join the armed forces—those with an aptitude and skills with which they may make a contribution in the next century—we must recognise the role that women have played in our armed forces over many years, particularly during the second world war.

We are one of the few countries that fought in the second world war not to have a memorial to women who fought. In Australia, Canada, the United States and New Zealand there is such a war memorial, but in Britain all we have is an empty plinth in Trafalgar square. It is time that we filled that space, because it would inspire a generation of our young women to join the armed forces.

It is worth reflecting on the fact that 700,000 women fought in a variety of roles in the second world war. They were air gunners in Britain and pilots of unarmed planes abroad—Amy Johnson was killed flying such a plane. Women were agents behind enemy lines, too. Also, of course, they were members of the Women's Royal Voluntary Service and air raid protection wardens. That must be recognised.

Mr. Martlew: I agree with everything that my hon. Friend says, but I am sure that he did not mean to miss out those who worked in the munitions factories. I must declare an interest: my mother was badly injured in a munitions factory. It is time that the Government set up a memorial to the women whose major contribution enabled us to win the war.

Mr. Grogan: I agree.

Fairly recently, the *Daily Mail* pointed out that women who contributed to the war effort probably outnumbered men. We must recognise the roles played by the mothers and grandmas of today's young women if we are to inspire them.

I, like many hon. Members, welcome the commitment that has been made regarding Gurkhas' pensions. The figures at work. Sergeant Balaram's widow will get an annual pension of £770. A British staff sergeant of equivalent rank would get £15,000. The words of Sergeant Balaram's widow, as reported in the *Daily Mirror*, struck a chord with me. She said:

"I am sure the British army will look after us—maybe."

There must be no "maybes". The only possible—the only really acceptable—outcome of the review would be full pension rights for Gurkhas. The 1947 tripartite agreement between Britain, India and Nepal need not be an obstacle to that. Amendments have been made to that agreement; further amendments can be made.

The issue of pensions for the Gurkhas reminded me of a case that came up in my constituency which, although it involved a very different group of people, shows that, when we talk of the armed forces, we should also think of the terms and conditions of the many people who may not be members of the armed forces but who support them in many different ways.

One of the first letters that I received when I was elected Member of Parliament for Selby was from Mrs. Sheila Steenson, a long-term unit cleaner at Imphal barracks in Fulford in York. She is employed on an agency basis by the Navy Institutes Army and Air Force, and she has the responsible job of cleaning very secure accommodation—the officers and sergeants messes. She gave me a surprising letter from the NAAFI pension fund, saying:

"Naafi carries out the cleaning tasks as agent for the Armed Services on repayment by them of all charges. They repay wages, and over the years they have developed a gratuity/terminal benefits system which we apply as agent. Because of this system, the category of Unit Cleaner has never been eligible to join the Naafi pension fund."

A gratuity terminal benefit system seems to me to be more appropriate for a student doing a holiday job in a restaurant than for someone who serves our armed forces for many years.

Very recently, after a long campaign headed by Mrs. Steenson, I was delighted to receive a letter from the Under–Secretary of State for Defence, my hon. Friend the Member for Warley (Mr. Spellar), confirming:

"The NAAFI Main Board has now reviewed its position and agreed at its meeting on 26 March to invite the Unit Cleaners to join the pension fund".

It may seem a small matter, but there are 270 such employees in the country, and it is important that we concern ourselves with their terms and conditions.

Finally, I shall discuss compensation. I welcome the fact that the Government are soon to produce a consultation paper on the subject. In a recent ministerial reply, my hon. Friend the Minister for the Armed Forces said that that issue could be more complicated than expected—which is probably true of most political problems. I also note that he promises a paper mid-year. We are pretty nearly in the middle of the year, are we not? It is 1 July. I note what he said in his opening remarks. Such a paper is needed.

We should reflect, as a House, that it is only 10 years since we passed the Crown Proceedings (Armed Forces) Act 1987, which for the first time allowed members of the armed forces to claim compensation from the Ministry of Defence when they were badly injured, if they could prove negligence. That is often very hard to prove against the mighty Ministry of Defence. Some people have suggested that the onus of proof should be changed and that the Ministry of Defence should have to prove negligence on the part of service men and women who are injured.

The figure of £27 million may seem high, but when the 1987 Act was passed the Government assumed that, at 1987 prices, £15 million would have been paid out after 10 years. The sum is not that much more than was expected, given the nature of inflation. However, it is an area that needs to be considered. Members of the armed forces expect to put their lives on the line, but they expect also due care and attention from the Ministry of Defence and proper compensation when things go wrong.

A feature of the Defence team is that they have tried to reflect in practical ways the deep respect and regard with which the armed forces are held in the Chamber.

[Mr. Grogan]

They have tried to manifest that regard in personnel policies. It is not only a matter of retention, although it is important to keep the ablest of our young men and women in the armed forces once they have joined them and to encourage them to consider it to be a career for life rather than for a few years. In many instances, it is a question of doing the right thing, of implementing natural justice, and of putting right wrongs that should have been put right long ago.

5.6 pm

Mr. Michael Colvin (Romsey): The hon. Member for Selby (Mr. Grogan) is right to draw attention to the problems of compensation. I join him in congratulating the Minister for the Armed Forces on his announcement that the Ministry of Defence and the Department of Social Security will be jointly reviewing arrangements for compensating members of the armed forces who suffer illness, injury or death as a result of their work.

No doubt the consultation paper will appear before the House rises for the summer recess. That will bring the number of consultation papers issued by the Government to almost 200. It is all very well to go through the process of consultation, but it tends to delay action. Consult by all means, but if a way could be found of speeding up the process, that would be much appreciated. Following the consultation, it will be the armed forces Bill of 2001 that will introduce a new scheme of compensation. That means that the scheme will not be effective until 2003. That is too long to wait for a change in the existing regime.

The hon. Member for Selby referred also to the importance of women in the defence of the realm, in whatever role. I much endorse what he had to say about that. In Select Committee terms, the last bastion or the last male preserve has been breached with the arrival in the Defence Committee of the hon. Members for Crawley (Laura Moffatt) and for Stockton, South (Ms Taylor). I warmly congratulate them on climbing the learning curve with enormous speed.

I congratulate the hon. Member for Crawley on her contribution to the debate. I was with her on the visits to our forces in Macedonia, the Adriatic and Italy. She will recall that our very first meeting was at Vicenza, which was the headquarters for all the air operations which were being undertaken. She will remember what the United States air force general had to say about the air operation. I will not use the typically lurid American terms which he used to describe it, but he certainly indicated to us—my right hon. Friend the Minister for the Armed Forces was present—that we should have bombed Belgrade far harder and earlier on instead of having targets all around Serbia. He said that really hard strikes on Belgrade on day one would have had a profound effect on Mr. Milosevic and on the Serb people. I think that he was absolutely right. The general also deplored the fact that it took 72 hours to get approval for individual air strikes. That was too long. Many of the hold-ups were apparently in the White House.

Now that the operation is virtually concluded, although it has already been accepted by the House generally that the job of peacekeeping will run for years to come, it is important that there is a full and independent inquiry into the conduct of the war and the diplomatic action that led up to it. We had that after the Falklands war and the Gulf war. I think that such a inquiry should now take place after the war in the Balkans.

I know that the Foreign Affairs Select Committee will be undertaking its own inquiry. The Defence Committee has said that it will undertake one. It may be that the two Select Committees will join forces to take evidence in some instances. An independent inquiry into the conduct of the diplomatic representations and activities, and then the war, is also extremely important. That will run on to the peacekeeping operation as well.

In her excellent speech, the hon. Member for Crawley referred to the difficulty of changing our laws to permit homosexuals to serve in the armed forces. She made the valid point that that will vary from one force to another, and possibly even from one unit to another.

We saw evidence of a similar situation with regard to women when we visited the Royal Navy in the Adriatic sea. On HMS Invincible, with a crew of 1,200, there were many women serving—about 10 per cent. of the crew, I think—with no difficulty at all. It worked superbly. However, on the Newcastle, with a crew of about 200, there were no women on board at all, simply because such a ship does not have the facilities to keep the sexes apart, and all sorts of difficulties could arise. The example of HMS Invincible proves that the rules can be adjusted to take account of the units involved.

I am very sorry, as are other hon. Members, about the poor attendance at this debate. When I entered the House, a debate on any defence matter was a big occasion and the House was always full. That may reflect the composition of the House. In those days, as an ex-soldier, I would never dare to take part in a defence debate, because the House was stuffed full of retired soldiers, sailors and airmen, all covered in medals, and it would be more than I dared do to venture into what I saw as their preserve.

These days, it is important for us to try to preserve a military connection in the House. I hope that selection committees in constituencies, choosing parliamentary candidates from all parties, bear that in mind. We are losing a great deal of expertise, and with the departure of the hereditary peers, we shall lose a wealth of military experience in the other place. That is greatly to be regretted. None the less, I welcome the arrival on our Front Bench of two who should be described as honourable and gallant Gentlemen—a new shadow Secretary of State with experience as an officer in the Scots Guards and an ex-sailor who opened today's debate.

We have heard much praise today for our armed forces. Even as an ex-Grenadier Guardsman, I would pick up the motto of my hon. Friend the Member for Blaby (Mr. Robathan), who was in the Coldstream Guards. Their motto is "Second to None", and it could well be applied to the British armed forces. They have certainly been put to the test recently in Kosovo and in Bosnia, and they have come through with flying colours. It is all very well to praise them, but we now want action to ensure that they are able to continue their work.

The mission of our armed forces was well set out in the strategic defence review. It was made clear by the Government that the United Kingdom is to be

"a force for good in the world".

On several occasions the Prime Minister has spoken of the UK's global commitment to security.

We have enormous worldwide interests—for our size, probably more than any other country. Trade is a higher percentage of our gross domestic product than any other country that I know of. We have enormous investment worldwide—more in the United States than has even Japan or Germany. We still have immense influence around the world. We are a permanent member of the United Nations Security Council, and we belong to all the best clubs—the G8, the Commonwealth and many others.

We still have a number of overseas territories that must be looked after. We have 1,000 service men and women in the Falklands, 3,000 in the sovereign bases in Cyprus and many others deployed elsewhere. There are 33 locations around the world where British service men and women are stationed, some on active service, some not.

If we are to become a world policeman, there is the problem of getting our troops to where they have to perform. The SDR proposed joint rapid reaction forces, which are to be in operation by October 2001. I should like the Minister to tell us whether that date will be met and, if so, what progress the Government have made on delivering the ro-ro ferries and the aircraft support that will be required.

The SDR limited our involvement in overseas military operations to two brigade-sized operations, as we originally had in Bosnia and Kosovo, or one divisional-sized operation, such as the Gulf war. However, our current deployment is about double that because we have 4,000 men in Bosnia and 13,000 in Kosovo. We are already way over that limit, which raises the question of how long those operations will last. When the Defence Committee put that question to the Chief of the Defence Staff, he said that he did not think we could maintain those operations in the Balkans for more than six months. We all know jolly well that they will be much longer term than that.

To meet those commitments, new establishment levels have been set by the Government which are planned to be achieved by 2004, but what are we to do in the meantime? We have heard many contributions on the increasing pressures on our service men and women and their families. What has been said about the problems of unaccompanied tours rings a bell with most of us in respect of our talks with service men, women and families in our constituencies. The number of operational tours has doubled, which should be of real concern to the Government.

On overstretch, I was struck when an hon. Member quoted General de la Billière as saying that our Army is 20,000 men short. That is a sobering figure. The SDR plans for 3,300 more soldiers, many of whom will be specialists, but we are 6,000 soldiers—mainly infantry men—short. I congratulate the Government on what they have said about teaching infantry men skills. Fewer men join the infantry because they will not learn a skill that they can use when they leave the Army. Giving infantry men a skill will attract more recruits.

We are aware that 36 per cent. of Army personnel are committed to operations and a further 22.5 per cent. have been warned that they could be deployed on operations at any time. That shows the degree of overstretch in clear terms. The Minister for the Armed Forces was asked about the Government's target for tour intervals. The previous Government's target, which they had difficulty meeting, was one six-month operational tour every two years. That left plenty of time for retraining and all the other things that had to be done between tours. The figures for current tour intervals are worrying and the Defence Committee will be studying them carefully when it undertakes its inquiry into the Kosovo operation. There is no doubt that there is far less time for retraining. That lowers morale and has an impact on recruitment and retention.

In Kosovo, the hon. Member for Crawley and I were lobbied by a number of forces personnel about pay. It was drawn to our attention that, whereas the pay of an unmarried Army captain who was sent to Kosovo would fall by nearly £5 a day, the Germans were receiving £40 a day extra. Members of the American forces do not pay tax on their pay. Many of the future operations in which British troops take part will be multinational so it is important that the Armed Forces Pay Review Body takes into account the difficulty of soldiers serving alongside soldiers from other nations who are on completely different pay scales for doing the same job. The so-called "X" factor must be revisited and the longer separation service allowance must also be looked at urgently. Will the Minister say something about that when he responds to the debate?

I was horrified to find, when I visited the Irish Guards in Macedonia, that in one platoon there were not one or two but four different cap badges. The Irish Guards were so under strength that their numbers were made up by the Green Howards, the Royal Artillery and the Royal Engineers. I believe that when the 1st Battalion the Parachute Regiment was deployed it was 120 men short and the numbers had to be made up from 3 Para. That is not good enough.

When I visited Haslar hospital the other day, I was reminded of the seriousness of the situation within the defence medical services. I discovered from a recent parliamentary answer on this matter that the figures for medical posts with consultant status compared with those deployable within the defence medical services were staggering. The number of posts for anaesthetists should be 130, but the number deployable is 31; the number of posts for orthopaedic surgeons should be 29, but the number deployable is 13; the number of posts for accident and emergency consultants should be 23, but the number deployable is three; and the number of posts for burns and plastics, which one would think was important in the Army, should be 10, but the number deployable is two.

Although the Government believe that those numbers should be made up from the reservists, the national health service is incapable of doing that; and as the Government have reduced the numbers in the Territorial Army overall by 18,800, it is hardly surprising that it is proving difficult to find reservists to fill any gaps. I accept what the Minister said in his opening remarks about the improvement in recruitment, but although there may be more recruits coming into the armed forces, more are leaving. Since 1997, 12,000 more people have left the armed forces than have joined them. That is extremely serious.

The Army is the most obvious victim of overstretch, but in two years 12,000 people left the Royal Navy and only 8,500 joined. A similar problem exists in the RAF. When civil aviation emerges from its current business

[Mr. Michael Colvin]

trough and there is a greater demand for civil airline pilots, many RAF pilots will push off for higher-paid jobs. That problem will have to be faced.

A big debate is going on about the restructuring of our armed forces in Europe. It started before the NATO summit in Washington and has certainly continued apace since. It concerns the whole question of the development of the common foreign and security policy, the relationship between NATO and Europe, perhaps via the Western European Union, and whether the European security and defence identity should be within or outside NATO. Which is it to be? The Prime Minister at St. Malo seemed to say that it should be both inside and outside, which gives all the wrong signals. Moreover, what he said is different from what the Secretary of State has said, which adds to the confusion.

It is not just me who is confused; our friends in the WEU, with whom I debate these matters in the WEU Assembly, are also confused about the mixed signals being given by the Government. The more cynical among us feel that what the Prime Minister said at St. Malo was meant to act as a smokescreen for the Government's backing down on the single currency and the whole question of economic and monetary union.

It is crazy to start worrying about and debating defence and security institutions in Europe when we should be debating our capability of meeting the commitments that we are making, not only as a single nation but with our allies. America spends $270 billion a year on defence. The Western European Union countries combined—the European members of NATO—spend only $170 billion. When we discuss these matters with our American allies, it is hardly surprising that they complain to us about Europe's failure to meet its proper burden of international security. That has a big knock-on effect on the way in which we perform collectively.

We must seriously consider the shortfalls, and not just in the budget—we have seen with the SDR how the defence budget is planned. There is this ominous £250 million to come in the last year, which we suspect is from the sale of the Defence Evaluation and Research Agency. As a hard-nosed privatiser, I strongly support what the Chairman of the Defence Committee said about resisting the privatisation of DERA either in part or in whole.

The Government should consider carefully the National Audit Office's report on the delivery of equipment—late and overpriced. A large proportion of our current budget—40 per cent. or so—is spent on procurement. That is an ever-increasing amount. We should also urgently examine the lack of training facilities, especially for the infantry. Since the armour came back from Germany, the infantry have been pushed out of some of their training grounds.

We must build up personnel strengths—both numbers and capability. The Government owe that to our armed forces, who have never failed to meet their obligations and objectives. From the speeches we have heard, I think the House agrees that our armed forces are finding it increasingly difficult to meet those obligations.

Mr. Deputy Speaker: Order. Before I call the next speaker, may I point out that quite a number of hon. Members are seeking to catch my eye, and unless contributions are shorter, several of them will be disappointed.

5.27 pm

Mr. Steve McCabe (Birmingham, Hall Green): I am grateful for this opportunity to make a short contribution to the debate. I confess that I have no special knowledge or experience of the armed services, but in recent months I have taken part in the parliamentary armed forces scheme with the RAF. My comments are intended to reflect the issues that RAF personnel, at all levels in the structure, raised with me during the time that I spent with them at various stations around the country.

My overwhelming impression was one of admiration and respect for the level of training, professionalism and sense of duty of all those whom I met. It is an interesting time to be involved in the RAF scheme, because the service is experiencing change on a broad front. As its own material says:

> "In recent times, RAF personnel have been deployed on a broader range of tasks than at any time over the past 50 years."

The RAF suffered a 30 per cent. front-line cut as a result of "Options for Change", and, as we have heard, it is experiencing overstretch, which the service feels was not adequately addressed in the strategic defence review and has been brought into sharp focus during the simultaneous operations in the Gulf and the Balkans.

By April 1997, the RAF had lost 8,000 personnel through redundancy. It is now down to a uniformed, trained strength of about 52,000 supported by a range of civilians and contractors. Much of the contracting and private finance ventures have brought benefits. I was particularly impressed with the new £15 million investment in flight simulators at RAF Valley, which will improve the quality of training and save money on flying hours for pilots who are trying to overcome weaknesses or skills deficits. Officers to whom I have spoken say that contracting has generally produced benefits, and at the moment it also creates well-paid jobs for persons who have recently left the service.

Some stations boast large numbers of contractors, vastly outnumbering the number of service personnel. It can be difficult to raise a team to take part in sporting events, or even a detachment to parade at local civic events. When efforts are made to involve civilian personnel in the sporting and cultural activities that are such an important feature of life on an RAF station, problems relating to insurance or working hours usually develop. There is also resentment among service personnel who have to work alongside contract staff who are paid overtime, and sometimes enjoy better working conditions.

I am particularly impressed by the standard of training. Selection standards are high, training is tough and assessment is rigorous. I understand that 25 per cent. of those who train to become jet pilots fail to complete the course, so punishing and demanding is the schedule. Of course, many of those men and women are not lost to the service; they go on to fly other kinds of aircraft in war zones and on humanitarian missions throughout the world.

I quite fancied the idea of being a jet pilot myself, but after undergoing the augmented motor skills test I had to abandon that fantasy. I managed to score one out of nine, which, they tell me, equals no jet pilot potential. I clearly cannot rely on all the tests!

Mr. Doug Henderson: I scored two.

Mr. McCabe: The training does not come cheap. Personnel and Training Command has a budget of nearly £800 million, but I have the strong impression that the money is wisely spent. I was particularly impressed by the recruit training that I witnessed at RAF Halton: there was a noticeable difference between fresh recruits and others of a similar age after only six weeks of training. However, some recruits to whom I spoke did not seem to have a particular appetite for a long-term service career. That applied both to officers entering training at Cranwell and to those undergoing basic training at Halton, and it underlines a problem to which many hon. Members have referred today.

I do not think that the main difficulty relates to recruitment. As others have pointed out, retention is an increasing problem, which—given the demands that we are making on the service, and the costs of training—we should consider as a matter of urgency.

I was impressed not only by the training of officers and other recruits, but by the quality of other sorts of training. When I visited the department of specialist ground training I witnessed some of the work being undertaken on the advanced system engineering course, which can lead to an MSc accredited by Loughborough university. A high-quality award is now given to aero-engineers who meet the required standards. It makes them very employable when they leave the service.

Men and women to whom I have spoken have made a number of points about retention. On the positive side, I welcome the efforts that have been made to improve communication and contact between service personnel and their families. I welcome the Minister's announcement about the use of the internet. I do not know what we are going to call them—service cyber cafés, or something like that—but we should welcome the notion of speeding up and improving contact between our service men and women and their families.

I welcome some of the changes in catering facilities. That may not seem a crucial point, but young people who are brought up in a climate of choice and consumerism are unlikely to be impressed with the limited choice and service-style meals, no matter how nutritious. Allowing service personnel the same choices over the food that they eat as the average civilian will do nothing to limit their effectiveness, but may help with morale and retention. Contracting out such services delivers substantial savings.

I ask Ministers to pay attention to the concerns that many service personnel are expressing about their security, particularly their pension entitlements and other benefits after a life of service. We need to acknowledge that the Defence Housing Executive needs to make substantial improvements in delivering and refurbishing accommodation, and in improving its customer service performance. I saw some examples of excellent new housing at RAF Cosford, but I have also heard countless horror stories involving people trying to sort out decent housing for their families, and families being needlessly separated because of the housing executive's failings.

I refer to an issue that may be a bit controversial for some hon. Members. A number of non-commissioned officers to whom I have spoken expressed their dissatisfaction with the effectiveness of existing channels in representing their concerns. They are clear that they do not want to unionise the service, and they have no plans to go on strike or to work to rule, but they are interested in having an association or federation that would represent them and ensure that their genuine grievances and concerns were heard.

We are asking those men and women to put their lives on the line. I do not want to risk losing highly trained, competent and dedicated people. I am not convinced that, as we approach the end of the century, it would necessarily diminish our armed services if we were to create opportunities for them to have their views properly listened to and properly represented.

5.38 pm

Mr. John M. Taylor (Solihull): In the late 1950s, boys born in 1941 were told that they would not be called up to do national service. So it was that I never became a service man. However, I did do five years in the combined cadet force, including two "corps camps", as we called them. One was at the age of 14 at Rhyll, where it rained every day until the duck-boards floated away. The other was at the age of 18 at Catterick, where I helped to build a Bailey bridge, which was much more gratifying.

Last year, I went back to cadet camp near Catterick for the first time in almost 40 years as part of my campaign to do my best for cadet forces in my constituency. I have one of the best and most numerous corps in the midlands. Sea, army and air cadets all parade at the Territorial Army centre in Haslucks Green road in Shirley, Solihull.

The army cadets are part of Warwickshire and West Midlands (South) corps, with Colonel Bob Carruthers in charge; he it was who invited me to camp last year. The sea cadets are corps No. 481, Shirley and district, training ship Gamecock, chairman Alan Cupples. The air cadets are 492 (Solihull) squadron, air training corps, chair Ann Pearmain.

Last year, and in the early part of this year—in parliamentary questions, and in the light of uncertainties about economies expected in the Territorial Army under the Government's strategic defence review—I asked Defence Ministers for reassurances about the future of those cadets. The Government's general message was that there would indeed be economies in the TA, but that the cadets would be all right.

I am afraid that that reassurance rang a little hollow in Solihull when the news that we had feared finally broke: the Territorial Army centre in Haslucks Green road was to close. The fact is that that secure site housed transport, classrooms, a miniature range, a secure armoury and an adult presence. In short, it was just the ideal environment for the sea cadets, army cadets and air cadets to parade.

Unless really convincing alternative facilities are to be found, I fear that we shall lose something really valuable in Solihull. I admire the work of cadets and their instructors. I believe that the whole exercise is socially and educationally worthwhile; that it is good for confidence and for what the services call "attitude"; and that it builds team work and provides discipline, loyalty and something of which to be proud. Moreover, those who are responsible for recruitment into the armed services

[Mr. John M. Taylor]

proper will say—in fairness to them, they have always said it—that former cadets are the very best recruits, as they tend not to drop out or seek to leave, because they have a good idea of what they are committing themselves to and seriously want to do it.

I have a word of apology to the Minister for the Armed Forces, the occupant of the Chair and the House, as a constituency commitment might prevent me from staying to the end of the debate to hear the Minister's reply. However, I shall be content if the Minister will write to me, particularly if his letter gives me some good and reassuring news about the excellent cadet forces in my constituency of Solihull.

5.42 pm

Mr. Eric Martlew (Carlisle): Thank you, Mr. Deputy Speaker, for calling me—I was starting to worry whether every hon. Member in the Chamber would be able to speak. I am a bit of an old lag at these debates, and noted that one or two hon. Members said that today's debate is poorly attended. Based on my experience, I think that it is better attended than many previous armed forces debates. On one occasion, when I was the then Opposition spokesman, I spoke for an hour, and subsequently received a letter from our Chief Whip asking why I had talked for so long. I told him that no one was on our Back Benches, so that I had to speak for an hour. That situation does not apply to this debate.

The right hon. Member for Bridgwater (Mr. King)—who has left the Chamber—was rather unfair to the Secretary of State for Defence by commenting on his absence from the debate. I have made inquiries, and discovered that he is attending the opening of the Scottish Parliament. If one considers the contribution that the Scots have made over the years to our forces, one might expect him to be there. He is also a Scottish Member. I therefore hope that the criticism might be retracted.

Many Opposition Members have spoken today about overstretch. Perhaps we should not go into the history of the overstretch issue, because when I was an Opposition Member I used to speak about it, too. Quite recently, however, current Opposition Members—especially the current Leader of the Opposition—made one demand after another for preparation of a land task force to invade Kosovo. They certainly made no mention of how such a task force would overstretch our forces. Regardless, the Government were right that we did not need a land task force, and we achieved our objectives by bombing. Such a task force would have caused tremendous overstretch.

After demanding more forces for Kosovo only a few months ago, it is not right for Opposition Members now to be carping about overstretch. The hon. Member for Salisbury (Mr. Key) shakes his head, but a land task force would have required many more soldiers.

Mr. Key: I should, for the record, make it clear that the Opposition stayed absolutely alongside the Government on the issue. The Government told us that they did not want an invasion force. We said, "All right—you have the information; we don't—we trust you."

Mr. Martlew: I am sorry, but that is not my recollection. I remember the Leader of the Opposition demanding of the Prime Minister that we took a decision by June to send in a task force otherwise the winter would be upon us, so the hon. Gentleman is wrong.

I should like to say a lot of good things about what the Government have done, but I am conscious of time so I shall concentrate on overstretch.

To some extent I am a delegate here today as I have made a commitment to the families of the King's Own Royal Border Regiment to express some of their views and concerns. During Defence questions recently, I asked my right hon. Friend the Secretary of State whether the regiment would be sent to Bosnia for the second consecutive Christmas. Fortunately, my right hon. Friend gave me the right answer. Following that reply, some soldiers' wives contacted me and we arranged a meeting at the Catterick garrison. Many of their concerns have already been mentioned today. They appreciated the fact that my hon. Friend the Minister for the Armed Forces had taken the time to see them, but as they are rather sceptical about politicians, they were not too impressed by some of his answers. I am sure that they were no more impressed with mine.

One problem relates to accommodation. I have the general impression that privatising the accommodation has not worked. The senior officers are glad that it was done as it is now no longer their problem, but there is still a great deal of substandard accommodation, some of it in Catterick.

Although the telephone allowance has increased from three minutes to 10 minutes—and that is welcome—there are still problems. After all, how many hon. Members phone home for only 10 minutes a week, and many of us go home at weekends? We have to consider the advances in mobile phones and the fact that they can be used in most parts of Europe. The Minister mentioned the use of the internet and I presume that he was also referring to e-mail, which is another welcome development. The King's Own Royal Border Regiment used it in Macedonia, but it was cut off without any explanation and that created problems for the families.

The worst problem is overstretch. The families wanted me to raise the matter earlier, but when problems arose in Kosovo, they told me that they wanted to be seen to be totally behind their husbands and fathers who were in Macedonia at the time. They are committed to the regiment and we often take their loyalty for granted. However, the regiment has been abroad for much of the past two years. It is in great demand and whenever there is a problem, it seems to be involved. Instead of being sent on one tour in 24 months, they are more likely to be sent on two tours in 18 months. That affects the morale of the troops and their families and increases the work load of those left behind. There is no doubt that when soldiers are sent abroad, those who are left have to double up and their families are also put under pressure.

The statistics for my local regiment are interesting. Between April and December 1998 it recruited 42 soldiers, but lost 48. Although the regiment has a good recruitment record, retention is still poor. The best retention record in the Army is a unit that recruited 127 soldiers and lost 70. In the worst example, 34 were recruited and 74 lost.

Statistics also show the effect of separation on families. From September 1997 to March 1999, the battalion has experienced eight divorces, and 17 more are pending.

Reasons given include the general pressure of service life, but in nine cases, current operational deployment has been specifically cited as a cause. Accommodation and education are problems for families, as is health care. Finding national health service dental treatment is difficult for everyone, but it is especially so for service families who are not allowed forces' dentistry.

Anyone who needs hospital treatment and who moves to a new area will go to the bottom of the new waiting list, and I am glad that the Minister will say something further on that. The military hospital at Catterick is being closed. There will be new facilities at Northallerton, but closure is a blow to forces' families. Buses are infrequent, and someone from Catterick who has a family member in hospital at Northallerton will find it hard to see him or her.

Women want careers of their own. There are two types of service family—the traditional forces families who follow the flag, and families in which the woman has a career and in which, to some extent, the husband's job is just a job. The armed forces must adjust to changing society. One simple point could be addressed. If a husband moves, the wife is not allowed jobseeker's allowance if she is deemed to have given up her job voluntarily. That does not seem right, and I hope that the Minister will think about it. We must address social change in a changing world. We have not yet fully accepted the change in women's roles. Change has been accepted within the Army, but not externally, and we must rethink our approach.

I have asked the Opposition about their attitude to homosexuals in the armed forces, but have had no reply. Are they opposed to allowing homosexuals to join the forces? I believe that homosexuals should be allowed to join. The current bar is discriminatory, and we should do away with it as soon as possible. If a vote is called on the matter in the House of Commons, will Conservative Members be allowed a free vote?

Families tell me that the Government must deal with the serious problem of overstretch. We must decide whether we should increase our armed forces. If we do not, and if there is another crisis somewhere in the world, the Foreign Secretary and the Prime Minister will have to conclude that, even if we would like to help, we do not have the forces to do so. We cannot continue as we are. The Chief of the Defence Staff cannot continue to say that we can cope in the short term, but that the Army will be overstretched in the medium term. That will affect the morale of the forces, and people will leave them.

5.54 pm

Mr. Martin Bell (Tatton): I plan to make the shortest speech of the debate, but I have a few points to make, particularly while the Minister is in his place. I welcomed his announcement about the promised Guards service. I did not entirely welcome his next statement—that the Ministry of Defence police has a future. It does not deserve a future. It is unaccountable and out of control, as the Minister will see if he studies the Stankovic case.

For 20 months, the police investigated that case. The man has been cleared, because there is no evidence against him—and still he is under a cloud of suspicion. This is the man who should be alongside his commandant General Jackson in Kosovo—he is the man who is needed. It is the greatest single scandal affecting any serving soldier, sailor or air man in the term of office of this Government, and I wish the Government would address it.

I spend a lot of time with soldiers at Army seminars, regimental dinners and the like. I know that the Ministry of Defence police is held in contempt by the armed services—and nor is the force admired by other police forces. I welcome the forthcoming inquiry by the Defence Committee. I hope that the committee will call the chief constable, Walter Boreham, and Major Stankovic.

I have in past years spent a lot of time beside serving soldiers on unaccompanied tours of duty. I know their fears, I know their hopes and I know the pressures that they are under. I know that it was routine for a battalion in Bosnia at the end of a six-month tour to count among its casualties not only its dead and wounded but the 10 per cent. or more of its marriages.

The MOD does not keep—or, at least, does not announce—the figures for divorces in the armed services. An example was brought to my attention yesterday concerning the Light Dragoons, who bore the greater part of the burden of light reconnaissance in Bosnia and underwent seven tours of duty. There were 85 divorces—in a formation of much less than battalion strength. That is a good index or measure of the crisis facing our armed forces.

Routinely in this House we pay tribute to our service men and women. We do that rightly—it is a compliment that is well deserved. However, the best tribute that we could pay them is to make sure that we treat them properly.

5.58 pm

Ms Julia Drown (South Swindon): Given the nature of conflicts in the world, the quality of our armed forces is crucial, and probably the most important subject for the military to concentrate on. It is wise to spend a greater proportion of the Ministry of Defence's money on personnel and less money on huge equipment and weapons which, under the previous Government, always seemed to cost far more than was first estimated. It is better to spend money on armed forces personnel than on weapons of mass destruction, which we should not contemplate using in the first place.

I pay tribute to the brave men and women of our armed forces, both full-time and reserves, who join the armed forces never knowing what will be expected of them. In Kosovo, our armed forces' actions in supporting the refugees in camps was remarkable, and something of which we can all be proud.

The Government, in turn, want to support our armed forces and their families. The families of armed forces personnel often pay a large price in terms of disrupted life styles, loss of contact between family members and, in times of conflict, having to endure great anxiety. For that reason, I congratulate the Government on taking steps to make the lives of armed forces personnel easier by giving improved leave arrangements, more contact time, and help with health care and school places, as well as more choice in terms of where people are posted.

One of the issues that caused anger in my constituency was the closure by the previous Government of the RAF Princess Alexandra hospital in Wroughton in south Swindon. It was well used and much admired by military and civilian patients alike. It is still much missed by my constituents. That closure was another example of the bad decisions made by the previous Government, which left a terrible legacy in my constituency.

[Ms Julia Drown]

By contrast, this Government are taking the views of everyone in the country seriously, and they deserve praise for making the armed forces better reflect the composition of the United Kingdom. The percentage of posts open to women has been increased from 47 per cent. to 70 per cent., but I would like it to be increased further. The target of getting 5 per cent. of all new recruits from all ethnic minorities by the year 2002 is admirable.

In relation to the recruitment and deployment of young people in the armed forces, it is of great regret that there are about 300,000 child soldiers throughout the world. Recruits in Uganda are sometimes as young as 13; the UK recruits at 16. That is of concern to the general public, as evidenced by constituents who raise the issue with me, who want an end to the use of child soldiers in armed conflict and in peacekeeping forces. They are supported by UNICEF, Save the Children, Amnesty International and others, including 110 hon. Members who signed an early-day motion that I tabled on the subject. I thank all those hon. Members for their support.

The Ministry of Defence has announced that UK service personnel under the age of 17 will not be deployed, but that means that 17-year-olds are deployed in military actions. In many aspects of our law, someone of 17 is recognised as a child—although I am aware that 17-year-olds would rather be referred to as young people. Whether we describe 17-year-olds as young people or as children, they rightly deserve protection under the Children Acts, because they can be vulnerable. Those aged 17 cannot buy an alcoholic drink in a pub in our country, but they can be deployed in operations and die for our country, even though they cannot vote for the Government who send them on those missions.

This is not an academic argument. Two brave 17-year-olds lost their lives for our country in the Gulf war. In paying tribute to them, I hope that we all agree that that is too much to ask of such young people. At present, UK 17-year-olds are members of the international peacekeeping force in Kosovo; there are 4,500 16 and 17-year-olds in the British Army. If we compare our record with that of our European partners, it is not good. Belgium is the only other country that generally recruits at 16. Neither France nor Germany will deploy young people until they reach the age of 18.

I am pleased that the Ministry of Defence is keeping its deployment policy under review. I strongly urge the Ministry to review the policy soon, with a view to changing it. Not only is the matter important for our own armed forces and for our reputation in the world, it is important when we negotiate with international colleagues to achieve the worldwide elimination of the use of child soldiers and of the worst forms of child labour.

There has been progress in that matter. Only two weeks ago, on 16 June, a new International Labour Organisation convention was adopted unanimously by 174 member states. The convention intends to eliminate the worst forms of child labour as a matter of urgency. It provides the first, specific legal recognition that the use of child soldiers is a form of child labour. It states that the age limit for child soldiering should be 18. I urge the Government to ratify the convention as soon as possible. The worst examples are to be found among the 13 and 15-year-olds who are recruited throughout the world, and in the forced and compulsory recruitment of children. We are not involved in any of those activities. However, if we are to play a strong hand in negotiating the achievement of the convention, we need to apply the arrangements in our own armed forces.

One of the reasons given by the Ministry of Defence for recruiting at 16 rather than 18 is that, if potential applicants are not recruited until they are 18, they will take up educational and other opportunities that lead them into other careers. That could be interpreted as, "Let's get them early—before they know any better", but that is not what we want. The Government are rightly committed to making membership of the armed forces a more attractive career. I have every confidence that they will succeed in that aim. That is the appropriate way to recruit people. We should all be concerned that, when people are too young, they may not have the maturity to take such an important decision with due thought and consideration. By ensuring that people are mature enough to make the decision to join the armed forces, we would be sure that we recruited those who are most suited to a military career.

Three facts are relevant to the attitude of the Ministry of Defence in relation to recruitment at 16 and deployment at 17.

First, there is a European Council directive of June 1994 on the protection of young people at work. It provides that young people under the age of 18 should be protected

"from any specific risks to their safety . . . which are a consequence of their lack of experience".

Work that is likely to contain specific risks includes the

"manufacture and handling of devices . . . or other objects containing explosives."

That clearly has an impact on under-18s in our armed forces.

Secondly, last October, the United Nations announced that all peacekeepers in UN missions should be at least 18 years old, and preferably over 21. Again, we should bear that in mind when considering the appropriate age at which we recruit to our armed forces.

Thirdly, let me take the House back to 1914, when no one under the age of 18 could be recruited into the armed forces. Now, 85 years later, there are 1,700 16-year-olds and 2,800 17-year-olds in the British Army. That cannot be described as progress. Instead, in that respect we are providing less protection to the young people of this country.

I thank my hon. Friend the Minister and the House for listening to my comments, and I congratulate the Government on the additional support that they are giving to members of the armed forces and their families. I hope that the Minister will work with colleagues throughout Government to stop the deployment and recruitment of child soldiers, both in the United Kingdom and throughout the world.

6.6 pm

Mr. Julian Brazier (Canterbury): Time constraints prevent me from pursuing the comments made by the hon. Member for South Swindon (Ms Drown), although I must say that I profoundly disagree with them. However, I commend the courageous words of my Select Committee colleague, the hon. Member for Crawley

(Laura Moffatt), on the importance of consulting the armed forces before any hard and fast decisions are taken on the issue of homosexuality.

If the words of Ministers in this and other debates are to be believed, our strategic policy is an unparalleled success: Saddam Hussein was punished last year; Ulster is responding to the Prime Minister's statesmanship; and Milosevic's thugs have been driven out of Kosovo by British-led forces—half of whom, we were assured last Wednesday, are likely to be home by Christmas. Meanwhile, our forces are undergoing a healthy modernisation process in the strategic defence review, which is a model much imitated around the world.

It is interesting that not a single speech by a Back Bencher on either side of the House has conformed to that picture. In opposition, the Prime Minister deplored publicly—and rightly, so many Conservative Back Benchers thought—the overstretch in our armed forces. In 1997, at the time of the general election, we had the smallest Regular Army since the Crimean war, and the most thinly spread since 1945, measured in terms of operational commitments. As Leader of the Opposition, the right hon. Gentleman promised, in a now notorious newspaper article, that things were going to change. They certainly have.

Since taking power, the Labour Government have launched major operations involving members of all three services in large numbers in the Gulf and in Kosovo, yet they have continued to cut the defence budget substantially. Morale in the armed forces has been further damaged by the Government deciding, immediately on taking office, to phase last year's modest 3.7 per cent. pay rise, in spite of the manning problems at that time. This year, it is difficult to exaggerate the impact on Army morale of the shocking potential exposure to terrorist threat of the families of a group of ex-soldiers, courtesy of Lord Saville's inquiry.

Last week, the Secretary of State admitted that the Army is still shrinking, and we have heard the figures in more detail today. A small upturn in recruitment has been outweighed by the haemorrhage—in the case of the Army, that is the correct word—of talented young men and women, especially men, from the ranks of junior officers and experienced non-commissioned officers. We were told that unaccompanied tour intervals for infantry units are running at 15 months, compared with a target of 24 months; but, because of the need to back fill, overstretch on men is far worse than the paper figures on units, so we are in fact achieving less than half that target. The figures for the Cavalry and the Royal Engineers are even worse.

The strategic defence review planned two trade-offs for the Army. One was the amalgamation of the elite 5th Airborne Brigade with our only other air manoeuvre brigade, 24 Air Mobile. That was to release funds to pay for a sixth armoured brigade. The second trade-off was a halving of the Territorial Army combat units to pay for 3,000 extra regular soldiers.

As a result of the lamentable manning figures and the Kosovo operation, both increases have been postponed indefinitely. The Regular Army's projected date for full manning has slipped again from 2004 to 2005, and no one in the Army to whom I have spoken believes that it will be achieved by that date. We were told last Wednesday that the formation of the new sixth armoured infantry brigade has been deferred by between 15 and 18 months. In practice, without a large upturn in manning and a draw-down from the Balkans, it cannot happen at all. However, the corresponding cuts are happening as we speak.

Members on both sides of the House have commended the extraordinary success of the lightning intervention by 5th Airborne Brigade. No other brigade in the British Army could have achieved that. There are parallels. In the Gulf in 1990, the 81st Airborne Brigade of the US armed forces was in position within a week. The Israeli forces who achieved the extraordinarily successful raid on Entebbe are another example. In each case, the action was nothing to do with parachuting, but concerned an air manoeuvre that could have been carried out only by paratroops and organised only by an airborne headquarters. Yet that elite centre of excellence, which took 10 years to build up, is to be broken up as soon as the brigade headquarters can be replaced in Kosovo.

The other cut is also taking place. Territorial Army units are being broken up in disbandment parades throughout the country, although the 3,000 regulars have disappeared off the radar screen.

I shall briefly consider those issues in more detail. The Under-Secretary has taken the trouble to reply in detail to procurement questions, but each time I have tried to raise with his colleagues either of the armed forces issues to which I have just referred, they have replied with woolly generalisations. First, on the airborne point, 24 Air Mobile Brigade caused embarrassment to this country when it took six or seven months to get to Bosnia in 1992. I do not want to attack any part of the British Army, but nobody believes that 24 Air Mobile's readiness to deploy remotely compares to that of 5th Airborne Brigade.

We are cutting down to one airborne brigade to pay for a sixth armoured brigade. That change takes us in the opposite direction of most other armies, which think that they need more fast and light troops and less heavy metal. Nevertheless, if we are to make that transformation, why not base that brigade around the 5th Airborne Brigade headquarters, which has just proved itself so effective? I should like to know the specific reason for the decision. I am not asking the Minister to respond in this debate, but I would like a proper written answer from him or his colleagues.

The second detailed issue relates to the Territorial Army. Each time I have raised the need to suspend the cuts in the TA, at least while we are unable to recruit extra regular soldiers, I have been given the same reply. As recently as last Wednesday, the Secretary of State said that the reforms—he keeps using that word—in the Territorial Army have made it easier, rather than more difficult, to use territorials. We introduced reforms in 1996 when, with support on both sides of the House, we passed legislation that made it much easier to use territorials. The Defence Secretary has not explained how halving the number of territorials in combat units will make it easier to use them.

Let us consider the infantry. It used to be possible to put for a fortnight a territorial infantry battalion in the place of a regular infantry battalion. I once took part in such a deployment. That could give a regular battalion a break. However, under the new configuration, there is no proper battalion headquarters, so such battalions cannot be used in an emergency to take the place for a short time of a regular battalion.

[Mr. Julian Brazier]

The lack of such headquarters and the decision to cut most all-arms training for TA units will inevitably mean a decline in the quality of training of officers. In future, officers in those battalions will lack the experience of collective training—experience that has so far stood in good stead the many TA officers who have been through Bosnia. The future TA will not only be much smaller in its combat elements, but in some parts, particularly the infantry, much less usable.

I turn to the commitments that our forces are likely to face. Yes, we should be proud of the fact that British forces led the way into Kosovo—although it was after the humanitarian disaster that our intervention was designed to avert. None the less, Milosevic pulled out with virtually no damage to his armed forces. We have found virtually no knocked-out armoured vehicles, despite all the extravagant claims of NATO, British Ministers and senior officers. Our forces in the Balkans are poised between a Yugoslav army, which is largely intact, and the forces of the KLA, who have already begun to shoot at Serbs, peacekeepers and each other.

The situation looks more and more like that in Palestine—an unhappy one in which my father served and on which, after three years of trying to uphold a League of Nations mandate, a Labour Prime Minister took the courageous view that it was time to pull the plug.

The Gulf has hardly been mentioned in this debate, but Saddam Hussein has not gone away. Just a year ago, the Secretary of State said in answer to one of his hon. Friends that action would cease when Saddam Hussein responded to the United Nations resolutions. He has not, and the inspectors—and with them most of our intelligence on his weapons programmes—have left Iraq. To the Arab world, Saddam Hussein is getting stronger not weaker.

In Northern Ireland, we all wish the Prime Minister and the parties to the negotiations well, but with the release of 200 murderers, the challenge to our armed forces will be greater not smaller if trouble starts. Meanwhile, the Army is shrinking.

It is no good Ministers saying that they are planning to do something about overstretch and to mention some welcome, but very small announcements. Our commitments are already larger than our capability—and the threats have the potential to be larger still. The Army is still shrinking, cuts are still being made; it cannot go on like this.

6.18 pm

Dr. Julian Lewis (New Forest, East): The novelist and statesman John Buchan referred in his autobiography, which was published shortly after his death in 1940, to his youngest brother Alastair, who fell at the head of his company of Royal Scots Fusiliers on the first morning of the battle of Arras in the first world war. He said of him:

"I remember that when I occasionally ran across him during the last stages of the battle of the Somme I thought him the only cheerful thing in a grey world . . . I wonder if the future historian will realise how much of the strength of the British army was due to the boys of twenty who brought the kindly ardour of youth into the business of war and died before they could lose their freshness."

One of the other young men who died—a little later in his career than young Alastair Buchan—was Flight Lieutenant Samuel Kinkead, who is buried in my constituency. He was killed in 1928 at the age of 31, having previously, in the space of two short years, between the ages of 20 and 22, won the Distinguished Service Cross twice with the Royal Naval Air Service, then the Distinguished Flying Cross twice with the Royal Air Force and finally, fighting the Bolsheviks in 1919 in Russia, the Distinguished Service Order when he and another pilot, in a Sopwith Camel, drove from the field of battle 4,000 Bolshevik cavalry men.

Such stories inspire us. They still inspire people in this cynical day and age—so much so that when the Reverend Gary Philbrick, Mr. Brian Lamb of the Calshot activities centre in my constituency, where Flight Lieutenant Kinkead was based when he was killed trying to break the world air speed record in 1928, Councillor Alan Rice of Hampshire county council and I decided to commemorate the 70th anniversary of Flight Lieutenant Kinkead's death, and we invited the family along and told them not to be disappointed if only 40 or 50 people turned up. We should not have worried. Between 300 and 400 people came along to celebrate and commemorate the life of this hero—a man who had died 70 years before. Even as I tell that story, I feel a bit of a thrill of excitement that such a person could have lived and died in such an outstandingly brave fashion.

Both those two young men died unmarried. But what would have happened to them if they had been more fortunate—if they had lived to complete their military career and had postponed any question of getting married until after the completion of their term of service? Today, that situation confronts many people who fought in the war and who gave great service to this country after the war.

I refer—very briefly, because of lack of time—to a letter published in *The Daily Telegraph* on 5 April 1999. It was written by a gentleman by the name of I. G. Aubrey-Rees, who wrote:

"As a terminally ill recipient of an Armed Forces pension, after serving for 34 years, I believe I am very well cared for by the RAF, but when I die in the next few weeks, my widow and family will not be so fortunate."

That was brought to my attention by Major Tom Spring-Smyth, president of New Forest, East Conservative Association, my local association, who writes that,

"since I married after retiring from the army, my pension will die with me and Jennifer"—

his wife—

"will get nothing, yet I was fully paid up".

The Officers Pension Society has been campaigning on the issue of post-retirement marriages for many years. It has got nowhere under Conservative Governments and it is getting nowhere under the Labour Government. Major-General Bonnet, general secretary of the Officers Pension Society, has written to me and explained that post-retirement marriages occur much more frequently in the armed forces because officers are discouraged from marrying before the age of 25. The age used to be 30. They must retire at 55—many are forced to leave earlier—and opportunities for marriage in-service are invariably limited by military service abroad.

On 6 April 1978, it was first accepted that the widow of a service man who married or remarried after retirement should receive a forces family pension, which is the formal title of a service widow's pension. However, that change of the rules was not applied retrospectively to

those who had retired before 1978, and who had subsequently married after retirement. The absurdity of the situation is that those whose plight prompted the change in the armed forces pension scheme are the very widows who are now left permanently disadvantaged. Many of them are the widows of men who served a full military career and fought for the nation during the second world war.

The Government—the previous Government as well as the present one—argue against change because they say that alteration in the rules of the armed forces pension scheme would be bound to read across to the whole public service. There will certainly be pressure from other public service groups, but that can easily and legitimately be resisted. The Government recently argued that the armed forces were unique and excluded them, and only them, from the national minimum wage legislation. If the armed forces can be dealt with separately on the minimum wage, they can certainly be dealt with separately on pensions.

For many years, the Officers Pension Society has been seeking a full pension for service widows of post-retirement marriages. In late 1997, the society co-ordinated an application on behalf of 22 representative applicants to the European Court of Human Rights on this issue. The Government believe that that application will fail, while the society hopes that it will succeed. Whichever is right, it is a shame that the widows of officers who served this country gallantly and paid into pension schemes should have to resort to the ECHR to try to secure the recompense, reward and right that they should have in respect of their husbands' service, the pension contributions they made and the sacrifices that they also often had to make by delaying their marriages until after their military careers were completed.

6.26 pm

Mr. Robert Key (Salisbury): The pity of it is that our debate will not be widely reported in the press or in the media, nor on television. With luck, the BBC will pick up something of it for a little soundbite here and there. As hon. Members on both sides of the House have said, it is a matter of regret that, for an issue that is so important in our national life, there is apparently little interest. It is true, however, that we have filled the time available. Indeed, we could fill it twice over given the level of expertise and commitment of many of those who have spoken in the debate.

I thank my hon. Friend the Member for New Forest, East (Dr. Lewis) for his contribution and for his dedication to his constituency and to the cause of pensions. My hon. Friend the Member for Canterbury (Mr. Brazier) made another notable speech setting out his passionate belief in the difficulties of overstretch. The hon. Member for Tatton (Mr. Bell) made a particularly telling speech and I am grateful to him. I do not entirely agree with some of his remarks and I think that I have rather more sympathy for the Ministry of Defence police than he has. Nevertheless, he made an important contribution.

My hon. Friend the Member for Solihull (Mr. Taylor) made a telling speech on cadets. I agree entirely with him. I served in the cadet force for five years. I rose to the dizzy heights of company sergeant major and had a—

Mr. Doug Henderson: Hence the nasty streak.

Mr. Key: As the Minister says, that is the nasty streak.

I learned a huge amount in that period in terms of self-discipline, becoming a team player and having the good fortune to serve in an Army camp at Celle in Germany. From there, we visited Belsen, which was just up the road. That visit was very early on after the war. That was an incomparable experience for a young man.

My hon. Friend the Member for Romsey (Mr. Colvin) made an important plea for an independent inquiry. This is not meant to be—I am sure that my hon. Friend would agree—in any sense derogatory. It is simply that we need to get to the bottom of how things happened over the past few months in the Balkans.

My right hon. Friend the Member for Bridgwater (Mr. King), as ever, shared his great wisdom with us in demanding a period of stability. We are grateful to him. The contributions from my right hon. Friend the Member for Wealden (Sir G. Johnson Smith) and my hon. Friend the Member for Mid–Sussex (Mr. Soames) were similarly extremely welcome.

The Opposition have supported the Government in pursuit of their overriding duty of defending this country and our national interest. We shall continue to do so. There is consensus on unequivocal support for our military forces and their families as well as for the administrative, scientific and industrial civil servants who support them. This support extends to the private sector contractors who provide goods and services and to the 400,000-plus citizens who work in defence-related industries.

Yesterday, Mr. Deputy Speaker—I shall share a little secret with you—I crept off to the Library at 8 o'clock in the morning to prepare for the debate. I worked there for some hours re-reading the speeches of each of the three Labour Defence spokesmen in the year before the 1997 general election. It was not a Herculean task. It did not take very long, but it yielded many words for eating by present Ministers. It also made me realise just how different Labour's policy is in government from its policy in opposition. Labour Members said one thing and they are doing another. They constantly called for consensus between the parties on the fundamentals of defence policy. If we had agreed with their defence policy in opposition and stuck to it, there would no longer be consensus.

Of course, that has not stopped the Liberal Democrats from drifting around and formally linking themselves with the Government on defence and foreign policy, although, typically, having made a speech or two, they have gone before we have reached the end of the debate.

On 14 October 1996, the then shadow Defence Secretary, the right hon. Member for South Shields (Dr. Clark) said:

"I also support the White Paper's arguments in paragraphs 127-28 against the European Union having responsibility for Britain's defence policy. Again in our policy document we state quite clearly—I shall quote it to the House so that there can be no misconceptions—

'Labour does not support the establishment of a European army or proposals to give the European Union a military competence . . . We believe that efforts to develop a common defence policy should concentrate on strengthening the Western European Union as the European contribution to NATO.'"—[*Official Report*, 14 October 1996; Vol. 282, c. 491.]

That was during the debate on the defence estimates. We have not had any defence estimates since 1996. The Government have twice postponed publication of new

[Mr. Key]

defence estimates. We understand that there has been a little local difficulty, but the House has not had an opportunity to scrutinise defence estimates since 1996.

That does not make it easy to find consensus on the budget. We have a moving target. However, we had the strategic defence review. Parts of it were extremely good. It built on much of the work that we had done, and we welcome that, but it was not strategic, as the Defence Committee pointed out. The foreign policy base lines remain secret to this day, so we cannot have consensus on them. There were gaping holes in the SDR. Home defence was virtually ignored, as the Defence Committee pointed out. There was no serious attempt to address the percentage of national budget spent on defence and security, so we cannot have consensus on that.

As we enter the third year of the Labour Government, they will be held to account for their defence budget. They must find a new soundbite. No one is listening any more as they blame the previous Government for post-cold war contractions in the defence budget and the size of the forces. People remember that, at the time, Labour Members were unilateral nuclear disarmers and Labour activists demanded deeper cuts than the Conservative Government were prepared to make.

That was then; this is now. If the previous Government were criticised by new Labour for defence cuts, why have the Labour Government gone on cutting the budget and increasing the commitments year after year?

In the run-up to the general election in 1997, the present Prime Minister wrote an article for *The Daily Telegraph* on 3 February. He stated:

"My pledge to our armed forces is that we will offer a period of stability."

He condemned Conservative defence cuts. He wrote:

"The people who have had to bear the burden of these cuts are our servicemen and women, overstretched and under strength as never before. The strain on our Armed Forces is huge."

He continued:

"It would be dishonest to promise to reverse the cuts in defence spending which the Government has made . . . We will keep to the spending plans already laid down for the next two years . . . Our services should not be subject to the same lack of coherent strategy and piling on of new demands".

Two years, and still the Government are cutting and piling on new demands. Only last Friday, the Foreign Secretary said that we would be committing another 8,000 troops on standby for UN operations, on top of those in Kosovo, Bosnia, Northern Ireland, Cyprus, the Falklands, and the RAF in Turkey, Saudi Arabia, Kuwait and Italy. Did he spare a thought for the families, or for the retention of our current service men and women, who are prepared to die for their country, but not to sacrifice their family life indefinitely?

What did the pre-election consensus add up to? On 14 October 1996, the shadow Secretary of State for Defence said:

"Since taking on the shadow defence portfolio, I have striven to establish consensus, wherever possible, on issues that affect Britain's defence and our security.. The Opposition have done that because we believe that it should be possible, in many spheres, to strike a bipartisan approach on many of the fundamental issues. . . We in the Labour party are willing to offer a consensual approach on the critical matters that affect the security of our country."

So far, so good. He went on:

"Although we seek consensus, we also have the right to be critical of many aspects of the Government's approach such as the absence of strategic planning; the dominance of short-term and ad hoc decision making . . . Such matters annoy us and make us critical of the Government."—[*Official Report*, 14 October 1996; Vol. 282, c. 490-493.]

That is fine; I know what he means.

On 24 October, the shadow Defence Secretary went further, saying:

"I have tried to argue that there are areas on which there is consensus and areas on which there is potential consensus. There are, however, some things that we believe the Government have got completely and utterly wrong. Their obsession with privatisation really is bizarre . . .

What is worrying is that the Government's privatisation mania knows no bounds. They really are sell-off mad. The Defence Secretary's dogma has overcome his common sense."

I take his point, but the boot is on the other foot now. The 12,000 people employed by the Defence Evaluation and Research Agency know exactly what Labour meant only two and a half years ago, but the DERA dither is no joke.

The consultation paper issued recently is wholly inadequate. It provides no basis for any counter-proposals. We understand that the Secretary of State will now not announce a decision on the future of DERA before the summer recess, as he previously told the House that he would. Instead, he has apparently invited the private sector interests for tea and sympathy at the MOD main building in Whitehall. I should be grateful if the Minister confirmed that that is the current situation.

On 24 October 1996, the shadow Defence Secretary also said:

"Although we are prepared to try to reach a consensus with the Government as far as we can, that does not mean that we slavishly accept all the details of Government policy. Far from it. We believe that in many areas the Government's approach is harmful and destabilising to our armed forces and our security."—[*Official Report*, 24 October 1996; Vol. 284, c. 216-219.]

I could not have put it better myself.

Most important of all are the people who serve in our armed forces—the professional service men and women and the people who follow the flag. There is complete consensus about that, but may I have a grown-up word about overstretch? There always has been, and always will be, overstretch, but official figures rarely give the whole picture for families. Tour intervals are very brief indeed. I was told only last weekend of a family in a specialist branch whose tour interval was only five months.

Consensus is difficult to achieve, but let us be grown up about it. Under this Government, overstretch is different in two ways. If the Secretary of State wants consensus, he will have to recognise that; if he wants to improve retention rates, he will have to do something about it. First, the European security and defence identity, which was agreed by Michael Portillo in 1996 and enshrined in the Petersberg declaration, was based on strengthening the Western European Union's role and common defence of NATO countries as well as

"humanitarian and rescue tasks; peacekeeping tasks; tasks of combat forces in crisis management, including peacemaking."

It was not about the new NATO doctrine of international intervention, as announced by the Prime Minister at

Chicago on 22 April, nor was it about overstretched British troops providing, in the words of a Government press release:

"Crack UK troops available for UN peacekeeping.

Crack UK peacekeeping troops, able to go anywhere in the world at a moment's notice are to be made available to the United Nations under a new arrangement announced today."

Would it not have been nice if the Government had told the House of Commons about that? Would it not have been nice if there had been one word in that press release about forces families, without whose support the whole thing would be impossible? If the Government are going down that road, we need a new national debate on the percentage of the national budget required to achieve that new international role and we need a reappraisal of the size of the armed forces.

The Blair doctrine is incompatible with the current size of our armed services. That is what new overstretch is all about: we have had smart procurement; now it is time for smart families. The Government are failing to implement family-friendly policies, and the strain on forces' families is building rapidly. The time has now come for the Government to invest in families. I know that that is their express intention in the SDR. We support them and want consensus on this matter, but the ball is in their court.

Before the election, Labour promised the earth to our service men and women and their families. At the top of the list was a commitment in last July's defence review to achieve tour intervals of 24 months. The hard reality is that, for some specialist units, a tour interval that is some 15 months on paper is, in practice, as little as five months.

The Foreign Secretary then made his major defence policy announcement last week, to which I have just referred. That will add dramatically to the problems of overstretch, including further reductions in the tour interval. At the recent Army Families Federation conference in Germany, an attitude survey was carried out among forces families. Wives and families are bearing the brunt of overstretch and finding it difficult to come to terms with the pressures put on all three services. I understand that the Chief of the General Staff's briefing team is to talk to units and their families. That is a welcome development but, ultimately, talking will not be enough.

Naturally, the men and women posted to theatre have good morale—it is what they are trained for. That does not mean to say that real issues associated with overstretch are not having a serious impact among married couples when it comes to retention in the forces. The situation is particularly bad among specialist units, such as the Royal Electrical and Mechanical Engineers and the Royal Signals. Back-filling is leading to substantial fragmentation of units. I have even heard of a family in my constituency who were informed that they were about to be posted to Ireland; the soldier was suddenly sent to Kosovo instead, but the Army insisted that his wife packed up the family house on Salisbury plain and moved to Ireland, because her home had been reassigned to an incoming unit.

This month, in some of the Salisbury plain garrisons, 80 per cent. of the heads of household will be absent on service in Northern Ireland, Bosnia, Kosovo or Cyprus. I pay tribute to the men and women of the Army welfare services and to the volunteers of the Soldiers, Sailors and Airmen's Families Association and the Army Families Federation, but they cannot cope indefinitely with the problem. Hugely important decisions regarding education, housing and finance are being taken in the absence of husbands and fathers by wives who endure the double strain of knowing that their husbands are in danger of their lives, while routine domestic issues assume a frightening significance for those left behind.

Our soldiers are seeing terrible things in Kosovo, and last week an Army wife asked me how wives will cope when their men come home. The wives see on television the horrendous sights in Kosovo. The soldiers are professionals and know how to cope; the wives are not—and do not. What arrangements are Ministers putting in place to help the Army welfare services and other units to cope with family traumas in such circumstances?

Now that the initial task of entry into Kosovo is complete, our soldiers will have to settle down to many months, if not years, of alert discipline and tension—and perhaps boredom for long periods. It is therefore essential to support their quality of life. I have been told this week of wives at home in Germany having to send basic kit, including socks and shower bags, to Kosovo because of shortages in supply. I am grateful to the Minister of State for his commitment on telephone cards. Such matters seem trivial to us in this grand debate in the House of Commons, but such detail is immensely important to service men and women in the field.

I am glad to report that Army families have told me that they are generally happy with the Defence Housing Executive. It has been a great success, and I commend the work that it does.

I could go on, but I shall not because I want the Minister to have a fair crack. One message that has come through loud and clear in this debate is that we should be able to agree that there is a problem of overstretch and, above all, that it is time to invest in families.

6.44 pm

The Parliamentary Under-Secretary of State for Defence (Mr. John Spellar): I am pleased about the broad welcome for the new style of these debates. That has been borne out by the nature of the speeches, as the hon. Member for Salisbury (Mr. Key) pointed out. Those who spoke have a lot of expertise and experience, and that was apparent again tonight. I fear that I shall be unable to cover all the points that were raised, so we will write to hon. Members on those.

I can think of no better time to hold this debate, as just over a week ago we welcomed the First Air Squadron back from duty over Kosovo. The country is rightly proud of those dedicated professionals. As their squadron leader rightly reminded the media, although they were pleased to be back, his thoughts were with their Army colleagues on the ground. They are doing a difficult job in a professional manner. Those who have expressed concern about our commitment of troops should propose an alternative to the action that we have taken to stop genocide, murder, rape and slaughter in the Balkans.

Once again, our forces have shown why they are world leaders. We must also play our part. We must ensure that our forces have the equipment they need—we debated that subject a couple of weeks ago, and I shall come on to the National Audit Office report in a minute. We should also look after their conditions. As the hon. Member for Salisbury and others have rightly emphasised,

[Mr. John Spellar]

that includes the conditions of our forces and their families, because they are the most affected by pressures of overstretch.

We welcome the opportunity to tell the House about the many measures that we are taking to recruit and retain men and women in the armed forces. We also welcome this opportunity once again to pay tribute to the dedication and professionalism of the people who serve in and support our armed forces. I am not just paying lip service to our armed forces: my comments are based on our day-to-day experiences of dealing with them and the work that they undertake.

We are working hard to meet our targets to achieve full manning, as my hon. Friend the Minister for the Armed Forces said in his opening remarks. The operation in Kosovo will inevitably have an impact on our ability to meet those targets at the moment, particularly for the Army. We remain committed to bringing the services back up to full manning on schedule. We recognise that overstretch is a problem—we have aggressive measures in place to address it, and we are introducing others.

We know that we need to do more to encourage people to join the forces, but we are having considerable success—that should be widely welcomed in the House—and recent figures have shown a further increase. We must convince people to serve for longer. We are considering innovative ways in which to accomplish that. My hon. Friend gave two good examples: the link-up initiative and the introduction of learning credits.

I am pleased that the hon. Members for Croydon, South (Mr. Ottaway) and for Portsmouth, South (Mr. Hancock) highlighted the need for pilot retention, and the link-up project is working on that. The problem of pilot retention is faced by all air forces around the world. It is ultimately a matter between the armed forces and the airlines. This welcome initiative is good for the armed forces and for individual pilots. I should like to thank the hon. Member for Portsmouth, South for highlighting the professionalism of the pilots who go back to the United Kingdom to upgrade their training and to ensure that they keep their flying techniques current.

I know from first hand the value that the armed forces, at service and individual level, place on education and training. My hon. Friend talked about his experience with the Royal Artillery in Newcastle. The other week, I spent an enjoyable morning with the RAF at Cosford during this year's adult learners week. Cosford is the RAF's largest training establishment with 2,000 trainees. I was impressed by the learning opportunities provided at the station and by the participants enormously positive attitude towards learning. They often undertook those courses in extremely difficult circumstances, even in theatre.

I also commend many of the educational colleges, which, contrary to practice a few years ago, are now much more flexible in their approach to people who are out on service. That shows positive co-operation and real action, and both sides are to be commended. We believe that most service people want to develop their careers and we plan to give them the means and opportunity to do just that, both for their own advancement and as a valuable tool for the retention of armed forces personnel.

Understandably, a number of hon. Members—including the hon. Member for Canterbury (Mr. Brazier)—spoke of the numbers deployed in theatre in Kosovo, the increasing pressures and the impact on tour intervals. At present, we have some 10,600 ground forces in Kosovo. As has been said, we expect other nations to send more troops over the next few months, and to be able to reduce our own contribution in six months. We are discussing the position with other countries—not just NATO countries—and trying to establish what their contribution will be in respect of a number of roles.

The right hon. Member for Bridgwater (Mr. King) asked about tour intervals. He rightly said that the SDR assumed average tour intervals of 24 months once all its measures had been implemented. Considerations include the size of the Army and—this was mentioned by the hon. Member for Salisbury—differences in different units, according to their specialisations.

Owing to both the interruption caused by Kosovo and the period that must elapse before the implementation of the SDR, tour intervals will remain shorter than we would wish. We recognise that that is a problem and that we must deal with it. We also recognise that certain conditions of service detract from the quality of life of our service personnel and their families. It would be possible, with a bit of thought, to introduce cost-effective measures to deal with that problem.

My hon. Friend the Minister for the Armed Forces and the hon. Member for Salisbury have raised the question of phone cards and phone queues. We have not got those things entirely right, but I think that the best test of an organisation is how quickly that organisation reacts to a problem, and I think that there has been a rapid reaction in regard to telephone services. Nevertheless, we aim to have much better packages of such services when troops are deployed in theatre, and we are working towards that. I am thinking not just of telephones, but of, for instance, television. We need to provide services at a fairly early stage and to provide the necessary equipment—including, of course, receiving equipment.

That does not apply only to the Army, although, because of Kosovo, attention has focused on the Army. We are now installing equipment on our ships to improve reception, with the aim of moving closer to real-time television. Following the end of the cold war, there are longer periods of patrol in the Navy. That means a different life style. Moreover, there are different expectations in the outside world.

Mention has been made of the dramatic changes that have taken place, even in this country, in access to e-mail systems. I think it was my hon. Friend the Member for Crawley (Laura Moffatt) who pointed out that it was not just a case of improving facilities in theatre, or improving equipment; the facilities enabling messages to be transmitted must also be improved. There have been big changes in regard to the availability of e-mail in people's homes, but we, too, can improve facilities and security. That is important because it helps to maintain communication. We have good experience from other services on which to draw, and we are drawing on it.

The right hon. Member for Bridgwater described our proposals as a palliative. They may seem small to some, but they are important to those who are working extremely hard in theatre, and who want some recreation and some improvement in contact. We need to look at

how we can improve services and—most important—we need to respond rapidly when criticisms are made, and when the position needs to be examined.

Mention has been made by my hon. Friend the Member for Crawley, with her experience in the medical service, my hon. Friend the Member for Walsall, South (Mr. George) and the hon. Member for Romsey (Mr. Colvin) of the Defence Medical Services. In Defence questions only recently, my hon. Friend the Minister for the Armed Forces announced that we were moving to the next stage, looking at partnerships with academic institutions on the Defence Medical Services. That is enormously important for not only military effectiveness, but morale.

My hon. Friend the Member for Walsall, South was, I think, the only Member to draw attention to the important change in relation to the creation of the chief of defence logistics and the Defence Logistics Organisation. That is important in terms of both servicing rapid reaction and achieving value for money. The new chief of defence logistics, General Sir Sam Cowan, and his staff are setting a cracking pace in reforming that organisation, in achieving joint activity and in getting the best out of the different services.

The hon. Members for Portsmouth, South and for Romsey both drew attention to the National Audit Office report. It rightly identifies many of the problems that have arisen in procurement. That is precisely why, under the strategic defence review, we have created the smart procurement initiative and integrated project teams. Some of the projects that are identified in the report are already the subject of improvements and considerable gains, for both us and industry. Therefore, we have already taken those on board. We are already working on the matter. Indeed, that is acknowledged by the National Audit Office.

Mr. Brazier: The Minister's comments would carry more credibility if he could explain why it is necessary to raise the comparatively small sum of money by compromising DERA's neutrality, integrity and excellence.

Mr. Spellar: Those are entirely different issues: the work that we are undertaking on smart procurement and the critical mass at DERA. The hon. Gentleman often makes good points, but he rides his hobby horses almost into the ground. He refuses to acknowledge that, although in many other areas there are significant issues, they are by no means the whole picture. Integrated project teams and smart procurement are already working. We will demonstrate that over coming months.

The hon. Member for Portsmouth, South made a good point about those who wish to set up homes. He will be aware that in the Royal Navy, for example, an advance loan scheme already exists to assist in that process.

The hon. Member for Solihull (Mr. Taylor) talked about the cadets. Indeed, we have put additional resources into the cadets, which has been welcomed. We should not only remember that they are excellent youngsters, many of whom go into the services and have good careers, but acknowledge the work of those who act as their officers and trainers.

My hon. Friend the Member for South Swindon (Ms Drown) raised the question of under-18s in the armed forces. I shall clarify the position. The International Labour Organisation proposes to ban the forced or compulsory recruitment of children for use in armed conflict. United Kingdom recruitment is entirely different from the abusive, forced involvement of children as members of militias or paramilitary forces. We are talking about properly organised, properly supervised, voluntary recruitment into our armed forces, and the excellent future that it gives to many youngsters.

The hon. Member for Portsmouth, South raised a number of other issues, including nuclear test veterans, the Chinook and asbestos. He keeps asking for new inquiries. That is mainly due to the fact that he does not like the answers that the inquiries have already given. Other Members also raised the question of the Chinook. In both of the former cases—asbestos is different and is being reviewed—there has been careful study.

If people have better scientific evidence that negates the basis of those inquiries, they should come forward with it, but both radiological protection studies have stood their ground. We are funding an additional survey on one area—multiple myeloma—because there has been an increase in the problem among both groups: the veterans and the standard group.

The debate has allowed us to—

It being Seven o'clock, the motion for the Adjournment of the House lapsed, without Question put.

FINANCE AND SERVICES COMMITTEE

Ordered,

That Mr. George Mudie be discharged from the Finance and Services Committee and Mr. Keith Bradley be added to the Committee.—*[Mr. Keith Hill, on behalf of the Committee of Selection.]*

Teaching of Philosophy

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Hill.]*

7 pm

Mr. Tony McWalter (Hemel Hempstead): I am grateful to the House for giving me the opportunity of raising in this forum the subject—perhaps the plight—of philosophy. I told some hon. Members the subject of the debate, and some of them exhibited a certain pleasure, whereas others demonstrated some perplexity. Those who viewed the subject askance expressed two rather negative views about the subject of philosophy and its role in education.

The first view was that philosophy is a trivial subject that is not worth bothering with. The second view was rather different—that philosophy is the most profound and complex subject in the universe, but that its atmosphere is so rarefied that only geniuses, such as Einstein, need bother with it. Some people hold those views at the same time—although they are contradictory, as something cannot be both trivial and profound. Either view can be used to support the idea that the subject should be marginal to the educational process.

How do people arrive at such strange views? On the trivial side of the argument, it might be said that most people have thoughts that are broadly philosophical in character—so why bother studying them? Children, for example, often ask questions that are broadly—but fundamentally—philosophical, such as: "How can I tell what is right and what is wrong? Why should I obey the law? What is the point of studying history? Are people naturally selfish? Is everything made up of something else?"; or even, "Does God cry?" Those are among the thousands of philosophical questions that children and teenagers ask.

Our education system should make provision not only for those questions to be answered, but for children and young people to learn that such questioning is of value and should be encouraged. Part of the value of such questioning is that, in our lives, whether adult or child, we have to find answers to at least some of those questions.

Education should assist that process. However, it does little to develop young people's capacity to take philosophical matters seriously. Moreover, much of the time, education treats such inquiries as not worthy of pursuit—as if to say, "Ha! That is a philosophical question", with the shrug of the shoulders. It is the Pontius Pilate system:

"What is truth? . . . and would not stay for an answer."

It is a mistake to trivialise philosophy for many reasons, but I shall list only three. First, its subject matter is fundamentally important. Whatever else we want the education system to do, we want our children to grow up with a strong sense of right and wrong, and the strength of character both to live by their judgment and to develop as moral beings. It seems strange to expect to accomplish that goal by ignoring the subject that has most to offer in moral education.

Secondly, by refusing to take seriously young people's philosophical questions, we neglect a very valuable educational tool. Young people have some provisional answers to some of their philosophical questions. However, if they could be brought to realise that their answers were, for example, inconsistent or insufficiently argued, their grasp of matters of the first importance could be developed.

Much practical education provided to people starts not with an inquirer and a provisional answer, but with some authority who "knows" an answer and whose only interest in the process is in getting the other person to absorb it. That is the so-called "blotting paper" theory of education.

Philosophy has the power to deal with the questions about which young people—but not only young people—are really thinking. It treats their confusion not as something to be instantly eliminated, but with respect. People grow from a confused state. Indeed, Aristotle said that the sense of wonder is the source of all knowledge. The teacher of philosophy—who does not have the answers to those fundament questions, but perhaps has more adequate answers—is more like a facilitator of the pupil's thought process than the purveyor of truths. He is, in effect, a Socratic midwife to the pupil's process of learning.

There is some evidence that if one takes seriously the way in which young people think, some of those who are alienated from the education system because it does not address where they are at or what they are thinking might be more willing to stick around.

Thirdly, philosophy opposes what might be called the Gradgrind theory of education—that it is about "facts, facts, facts". Not all questions that human beings address have the character of a question in a pub quiz. Questions that have philosophical complexity are worth asking and addressing even though no single human being has a final answer to them. The answers that one generates to such questions are partial, provisional and hesitant and as a result they are often derided, but they have an interesting feature: other people may have a perspective that, once encountered, might make one's hesitant, provisional answer a great deal better. That makes a conversation with those who have other perspectives purposive. When we address philosophical questions, we recognise that our answers could well have been improved if only we had engaged in more conversations with people with different perspectives. A philosophical education can teach us intellectual humility and that the best available answer to a question is not necessarily a final answer. It can also produce equality and co-operation between the teacher as Socratic midwife and the pupil as inquirer, which Gradgrind would never have countenanced.

I have dealt at some length with what should be said in response to the claim that philosophy is trivial. I shall deal more summarily with the idea that it is not relevant to those of us who are more limited in our understanding because it requires the brain of Einstein to cope with it. Of course, every subject has pinnacles that are inaccessible to the beginner and in the case of philosophy one would not expect school students to tackle the "Critique of Pure Reason". However, philosophy can be taught at school level and I suggest that strong benefits could be obtained if the subject were less marginalised.

Antipathy to philosophy is strongly embedded in English culture as opposed to the culture of the Celtic fringe. I once worked in a bar where one of the regular customers found out that I was a student of philosophy. "Finking," he said, "is the curse of our age". Although I do not share that judgment, I recognise it as an unargued but potentially philosophical thesis.

Previous Governments have put into practice their view that thinking is to be discouraged. In 1983, the then Secretary of State for Education decided that those with a degree in philosophy would not be eligible to teach. I think that he subscribed to the Einstein view of philosophy rather than to the view that it was trivial. Although over the years the ferocity of that judgment has been attenuated, the immediate effect of that decision was that seven university departments of philosophy closed and most teachers in schools today have taken no course in philosophy, not even in the theory of education.

I hope that we can start to repair the damage that that decision caused. I have a personal axe to grind as my own interest in philosophy was sparked by two mathematics teachers, both of whom had degrees in philosophy and taught mathematics with considerable flair and a profound understanding. Because of the previous Government's hostility to philosophy, today's students have no Mr. Donovan or Mr. Coffey to show them why certain mathematical ideas are important. I should like the Government to make a commitment to re-establishing the older, wiser view that an education in philosophy is not something from which the young need to be shielded.

Damaging consequences result from the neglect of philosophy in our schools, a neglect that other cultures would find strange. I have time to mention only one problem—the difficulties that young people have with moral concepts. My short disquisition must therefore represent the many other arguments that I could marshal to show the intrinsic importance of philosophical debate.

Most children grow up trained in a moral system—as a father, I undertake such training myself—in which the first commandment is, "Thou shalt obey". Early in our lives, therefore, there are persons who are the accusatives of that obedientiary ethic—the people whom children obey, such as parents and teachers. In adolescence, an obedientiary ethic proves ineffective, and those whom the child had obeyed are increasingly—perhaps sadly—seen as fallible and limited.

How does our education system facilitate the transition from an obedientiary ethic to a set of moral beliefs founded on a more wide-ranging or synoptic basis? Our schools make little effort to address the problem. Some believers in religion maintain that only an obedientiary ethic can work, saying that God should replace parents as the accusative of the obedientiary prescription. However, even many religious thinkers feel that that argument is not compelling. In our society, a considerable number of young people do not have the belief in a God that could support an obedientiary ethic for adult life.

Young people are left in a moral void, even though all of us agree that what we most want from an education system is that graduates should have high moral standing. The result is confusion, with young people thinking of morality as a maze—I wanted to get in an aside about a well-known radio programme—as a matter of taste, as vacuous or as a mechanism by which the bourgeoisie suppress the proletariat. But those positions are held without any kind of critical analysis, an analysis that could happen only if teachers and pupils were equipped to handle it.

I was a university teacher of philosophy before I entered the House. In my experience, most students arrive holding a strong view that moral beliefs are subjective, simply a matter of taste. They hold the view that any argument about such a topic would lead nowhere and would be a waste of time. The relatively few who did not subscribe to that belief held instead to a relatively primitive obedientiary ethic derived from childhood religion.

Morality has something to do with an obligation to respect others, but our education system is producing people who can provide no reason why others should be treated with respect. Virtually no attention has been given to the nature of morality. On the most important subject of all, our education system is silent. The miracle of our system is not that many people go off the rails, but that those who can give no good reason for behaving in a way that respects the rights of others nevertheless frequently do so.

The tendency of our system to produce ethical subjectivists is regrettable. Those who have studied philosophy usually reject ethical subjectivism as an incoherent position, partly because it offers little scope for distinguishing between what is in the realm of the ethical and moral, and what lies outside it. Would a taste be ethical, if, like Humpty Dumpty, my view of the moral realm was what I said it was?

To counteract subjectivism, those with no interest in philosophy often demand a reintroduction of ethics to the curriculum. However, these demands often amount—particularly from the Conservative party—to a demand to reintroduce an obedientiary ethic. They are often made by those who are "in charge" who ask those who are not "in charge" to conform to their imposed standards of behaviour. However, those "in charge" are sometimes wrong, and young people can cite examples to demonstrate the fact. The efforts to impose an obedientiary ethic are unlikely to succeed—unless, of course, we cease to be a democracy. The difficulty in replacing an emphasis on ethics by an emphasis on citizenship is that those who are good as citizens might be bad as people if the laws that they obey are inhumane—the example of apartheid can be mentioned in that vein.

In the meantime, we should be equipping young people to think seriously about moral matters. One feature of a moral person is that he or she has actually spent some time thinking about these things. "What will the repercussions on others be of my behaviour if I do this?" However, our education system does not provide the facilities for that extended process of reasoning or for that thought process.

I have submitted, using inadequately a single example of ethics, that the subject matter of philosophy is intrinsically important. I have submitted also that the teaching methods it engenders are beneficial: that in teaching it, we are required to respect the deeply held views of pupils and students; that it provides pupils and students with scope for developing independent thought; and that in addressing its questions, we become aware of what I can only call the majesty of the human intellect.

I ask the Government to signal clearly that they do not subscribe to the damaging view of philosophy held by the previous Government, who did not value the contribution that philosophy might make to our system of education and our system of teacher training. I ask the Government to confirm that they value that contribution, and that they will involve philosophers in the development of the curriculum in the areas of thinking skills and citizenship

[Mr. Tony McWalter]

and when they are reflecting on how best to equip school teachers to respond to the welcome, if searching, philosophical questions raised by their pupils.

Descartes once said that philosophy was, in part, like having a conversation with the greatest thinkers of the past. We would be reluctant to shut away the greatest of paintings in a vault somewhere so that they could be viewed no longer. However, the works of the great philosophy masters—which have a transcendent beauty in their own right—are effectively shut in the vaults, for the skills needed to appreciate those works are being suppressed.

By marginalising the subject in our education system, we undermine the capacity of our young people to have that conversation with the great intellects of the past and to appreciate the beauty of their works. In doing so, we deprive them of the potential to appreciate some of the greatest intellectual achievements of humankind.

7.18 pm

The Parliamentary Under-Secretary of State for Education and Employment (Mr. Charles Clarke): I begin by congratulating my hon. Friend the Member for Hemel Hempstead (Mr. McWalter) on securing this debate, and on the powerful, effective and entertaining case that he has just made.

I declare my interest in the subject. My mother's degree was in philosophy—she was tutored by Wittgenstein at university. She has been a constant pressure on me to raise the value and worth of philosophy in our education system—not only now, but for a long time. When I was involved in educational policy some 15 years ago, I remember her sending me newspaper cuttings detailing how philosophy had been brought into classes in primary schools in the Bronx in New York—precisely the kind of alienated area that my hon. Friend mentioned—because it developed the skills of thinking and articulacy which could counter the alienation that otherwise existed.

I am not quite sure whether I was the product of a Socratic midwife. However, I assure my hon Friend that I am wholly committed to the general approach that he set out so clearly today.

The Government attach great importance to teaching pupils to think flexibly and to make reasoned judgments. We consider those skills to be a vital part of young people's education and preparation for life, and for lifelong learning. To emphasise the quality of thinking skills is a critical means of raising standards in schools; it is a key element in our overall drive to raise educational standards.

I agree with what my hon. Friend said about the contribution that philosophy can make in developing pupils' thinking processes and skills. Those philosophical skills are already covered by a wide range of subjects throughout the curriculum. We develop children's thinking by making it more explicit; for example, by encouraging pupils to hypothesise, to experiment, to discuss and to reflect—all of which are key thinking skills. Modern information and communication technology frightens some people because of the obedience issues raised by my hon. Friend. However, it can be shown to provoke precisely the kind of thinking skills that must be a key part of our overall curriculum and of the educational process.

Several of our current policies aim to develop further the teaching of thinking skills—in many cases, in ways that will offer access to philosophical inquiry. We have specifically asked the Qualifications and Curriculum Authority to consider ways of integrating thinking skills into the revised national curriculum—especially at key stage 3—as part of the current review. The literacy and numeracy frameworks both include references to thinking processes, such as investigation and problem solving. This afternoon, I visited the "Tomorrow's World" exhibition at Earls Court, where I saw some exciting maths work that showed games of problem solving as a means of exciting children's interest in those important matters.

Moreover, our recent proposals for a framework for personal, social and health education and for education for citizenship, which are currently out for consultation, will encourage the development of the skills of inquiry, reflection and debate. Citizenship is not about the obedient citizen, as my hon. Friend might fear; it is about the active citizen, who is enabled to participate in, control and determine—in all the ways that we know—a fantastically rapidly changing society. Through that process, children will have opportunities to engage with some of the important moral, social and political issues of today's society—perhaps even with the eternal issues mentioned by my hon. Friend—and to practise the skills of citizenship through discussion and debate, and through active involvement in the life of their schools and communities.

"Articulacy"—a word that perhaps does not exist in the "Oxford English Dictionary"—is an exceptionally important part of our education. It is important to ensure that children are able to articulate their thoughts in a number of ways and, in so doing, to respect the articulate views of others. That is how we have to operate in our society; citizenship will play an important role in doing that. As an aside, I pay tribute to the work done by so many schools in developing school councils, which are an important part in the life of many schools. They fulfil precisely the kind of role recommended by my hon. Friend. I very much support the campaigns by the National Society for the Prevention of Cruelty to Children and other organisations to promote the activity of school councils.

The Government are currently considering the development of a strategy on the way ahead for thinking skills across existing and new policies. In October 1998, the Department for Education and Employment commissioned Carol McGuinness of the school of psychology at Queen's university, Belfast, to review the effectiveness of different approaches to the teaching of thinking skills in primary and secondary schools. The research report—a copy of which I have here—was published on 4 May this year, and my hon. Friend the Minister for School Standards attended the launch. A copy of the report has been placed in the Library for the convenience of Members and others.

The report is entitled "From thinking skills to thinking classrooms: a review and evaluation of approaches for developing pupils' thinking". It contains a great deal of interesting material. It reviews examples of structured thinking skills: some focus on a philosophical approach, such as Martin Lipman's "Philosophy for Children"; and others take subject-specific approaches, such as the "cognitive acceleration through science" education programme, which takes thinking skills forward in a

science context but aims to accelerate thinking more generally and to infuse thinking skills throughout the curriculum.

It is the latter approach that the Government look to the QCA to take forward, but many schools already use that approach successfully as part of the curriculum. I am attracted to the idea of developing thinking classrooms in which philosophical approaches to learning play a part. We are considering how best to take that forward in the light of the report's detailed findings. My hon. Friend's success in securing today's debate and his powerful expression of these important issues will accelerate and help that process.

I am fortunate in having in my constituency, a few metres from my home, Tuckswood first school, which actively uses philosophy and thinking skills in the classroom, with five and six-year-olds. The head of the school, Sue Eagle, has been a pioneer in the field and has participated in many of our national discussions on the subject. The purpose of thinking skills is to help children to learn how to think for themselves, ask questions and develop their ability to listen, analyse and discuss. Those skills improve pupils' powers of reasoning and inquiry, which are relevant at all key stages of maths, science and other subjects. I welcome the school's initiative in introducing the scheme, which is representative of smaller scale teaching experiments that show that mathematical problem solving and scientific reasoning can be enhanced through cognitive learning.

A couple of months ago, I went to observe philosophy lessons in the school, so that I could see for myself how the subject could be taught to children so young. The experience reflected the points raised by my hon. Friend in his speech tonight. Discussions about what the children liked or did not like brought out a range of important and interesting perceptions. Another philosophy class looked at and discussed fossils, which led to creation issues and the other problematic philosophical issues inherent in that area of inquiry. At that age, children are perfectly able to question and think about such issues, and it is important that they do so.

I can give my hon. Friend the assurances that he seeks. The Government regard thinking as a key part of the national curriculum, and philosophy is critical in that respect. At A-level, philosophy is available as a separate subject and, of more than 1,500 A-level philosophy candidates last year, three quarters passed. Under the Government's A-level reforms, which are to be introduced from next September, philosophy will continue to be available as a separate subject both at full A-level and as one of the new AS-level qualifications. In addition, the QCA is considering proposals for a new AS-level in critical thinking. That is in response to a specific recommendation by Sir Ron, now Lord Dearing in his 1996 report on 16 to 19 qualifications, for a new qualification designed to develop critical understanding of the various forms of knowledge.

The main thrust of the Government's A-level reforms is to encourage young people to take a wider range of subjects than the traditional two or three A-level package. We hope that, in that way, more young people will have the opportunity to include an AS-level in philosophy or critical thinking alongside their main programme of study. I hope that I have been able to reassure my hon. Friend that I and the Government as a whole are strongly committed to the contribution that philosophy and thinking can make to our education system, and that we do not accept the ideology of past Governments. We hope to develop the subject further in the curriculum of the future. I thank my hon. Friend for giving me the chance to make these statements in today's debate.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Seven o'clock.

House of Commons

Friday 2 July 1999

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PETITIONS

Genetically Modified Food

9.33 am

Mrs. Cheryl Gillan (Chesham and Amersham): I should like to present the petition of my young constituent Jake Steel, aged nine, and others.

The petition declares:

"The introduction of GM food would have a disastrous effect on the environment and be a health hazard. The Petitioner therefore requests that the House of Commons urges the Ministry of Agriculture, Fisheries and Food to call for a ban on all Genetically Modified Foods and Crops in the United Kingdom and for a thorough independent investigation into GM foods."

I should like to present two other petitions. The first is from one of my constituents, Mrs. Louise Bradbury, Healthright, Holland and Barrett, and others on the classification of health products by the Medicines Control Agency.

The final petition is the humble petition of Rodney Howlett, on European matters.

To lie upon the Table.

Drugs

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Betts.]*

9.34 am

The Minister for the Cabinet Office (Dr. Jack Cunningham): I am pleased to open this debate on drug misuse. The misuse of drugs is a matter of great concern to many of us, and to our constituents and their families, who suffer the consequences.

The Government are determined actively to tackle drugs misuse. In our first year, we appointed Keith Hellawell as the United Kingdom anti-drugs co-ordinator to give coherence to drug-related policy making across all Departments. Last year, we published a White Paper, "Tackling Drugs to Build a Better Britain", which sets out our 10-year strategy to reduce drug misuse, and the consequences of drug misuse for society.

The strategy acknowledges, for the first time, the link between drug misuse and social conditions, and the need to tackle the whole range of social problems. The strategy sets targets—based on evidence and experience—for reducing drug misuse, and combines a commitment to firm enforcement with programmes enabling offenders to tackle their drug problems. It also focuses new money on treatment programmes that work, and new ways of getting those with drug problems in touch with those operating the programmes.

Last month, I announced to the House the publication of the United Kingdom anti-drugs co-ordinator's first annual report and national plan. We are now moving into the most vital stage of the process: delivering results. I do not delude myself that that will be an easy task, but I am confident that we can succeed. My confidence stems from the knowledge that we have laid firm foundations upon which we can build and develop the programmes.

The key principles of our strategy are integrated policy making based firmly on evidence; an increased focus on outcomes, with objectives; and better accountability and evaluation mechanisms to ensure that progress is monitored effectively.

Following on from the strategy, the public service agreement on drugs binds all relevant Government Departments to work together to deliver a reduction in the proportion of people under 25 misusing illegal drugs; a reduction in the level of re-offending by drug-misusing offenders; an increase in participation of problem drugs misusers, including prisoners, in drug treatment programmes, which have a positive impact on health and in reducing crime; and a reduction in access to drugs for young people.

We shall also play our part in supporting global actions that seek to reduce not only the supply of drugs, but the demand for drugs. We are helping to take forward the agreements reached, in June 1998, at the United Nations General Assembly special session in New York.

We had to ensure that our strategy's framework for action was backed up by appropriate resources. Therefore, as part of the comprehensive spending review, an additional £217 million has been made available across Government.

As I announced in the House last month, further support for the strategy will be provided by channelling the assets seized from convicted drug dealers back into

[Dr. Jack Cunningham]

action against those people and against drugs. The sum, £3 million this year, should rise to £5 million in the subsequent financial year, and to £7 million in the following year, bringing an additional £15 million—perhaps more; who knows—in that three-year period to bear in our action against drug traffickers and drug dealers.

With the strategic vision in place, and resources allocated to support it, the next step was to set targets—which I acknowledge are hard targets—challenging all of us to redouble our efforts to fight drugs problems. Keith Hellawell's first annual report and national plan did just that—setting targets for the short, medium and long term.

For the first time, Departments and agencies, nationally and locally, are being brought together to work in partnership towards joint performance targets. The focus is very much on results and working together. Between now and 2002, all departmental and agency resources and activities against drugs will increasingly be redirected towards those and associated targets, as provided in the national plan.

Co-ordination of the efforts of national Departments and agencies is essential, but no less vital is the role of drug action teams in co-ordinating local activities. I am sure that others here today would join me in paying tribute to the work of drug action team members and co-ordinators across the country. They are an essential part of the fight against drug misuse. Ultimately, the success of our strategy will depend on the success of drug action teams in addressing the specific drug problems in their areas.

This year, for the first time, an audit has been undertaken of the work of drug action teams across the country, with reports to the UK anti-drugs co-ordinator using a common template. This showed that there is a great deal of activity already under way. It showed also that there is a clear need to provide further support and advice to drug action teams.

To this end, the Government established the new drug prevention advisory service, which has officers in every region of the country. The advisory service will be an additional resource which teams can draw on as they go about what we all acknowledge is a difficult task.

When I announced the publication of the co-ordinator's report and plan, some Members expressed doubts about whether the course that we had chosen would, or could, work. One concern that was expressed was that our targets were unmeasurable because we did not have comprehensive and robust data. That is an important point. We all recognise that we could do with better, more robust and more comprehensive data.

The Government are determined to rectify that situation. That is why we shall be spending an extra £6 million over the next three years to help fund a major new research programme to establish accurate baselines and to evaluate programmes of activity. We need more knowledge and understanding of what is happening on our streets and in our communities.

We are putting in place better information systems to show more definitely what the drug problems are, what works best against them and what is cost-effective. The research programme will establish the hard baselines against which we can better measure our progress and success. I firmly believe that we can succeed in reducing drug use. There is some evidence that the action that we are pursuing is having a positive impact.

Members will be aware of the national treatment outcome research study—usually known as NTORS—which is one of the biggest surveys of its kind in the world. The study follows the lives of 1,100 drug misusers. My right hon. Friend the Minister for Public Health recently announced the findings of the two-year follow-up study on a group of long-term, severely dependent users of heroin and other drugs, who were treated in residential and community-based settings.

This group had a range of social and other problems, both psychological and physical, and extremely high rates of criminal behaviour. Early findings, based on a follow-up at six months and one year, showed that many of them had achieved substantial reductions in substance misuse and improvements in other problem behaviours.

At two years, those early improvements have been substantially maintained. For example, abstinence rates for heroin have more than doubled, and fewer were injecting drugs or sharing needles. There were also marked reductions in the users' criminal activity. Extremely high rates of criminal behaviour prevailed among the clients prior to entering treatment. The figures are quite staggering—70,000 offences in the previous three months from a group of 1,075. However, after two years, the rate of acquisitive crime more than halved and involvement in drug selling had been substantially reduced. Those who gave up heroin were 10 times more likely to have avoided criminality than those who did not.

These improvements in terms of drug-taking behaviour, health and criminal activity are significant, especially considering the chronic nature of the problems previously experienced by those involved in the study. It is essential that we quantify the benefits of treatment, not only to the individual, but to society as a whole. NTORS has previously shown that for every £1 we spend on drug treatment, we save at least £3—mainly in reduced demand on the criminal justice system. That is why, as part of the strategy, we are investing so much effort and resources in getting drug-misusing offenders into treatment.

Mrs. Jacqui Lait (Beckenham): Was everyone who participated in the NTORS study a volunteer—not only for the study, but for the treatment? Was there a degree of coercion for some?

Dr. Cunningham: They were volunteers—none of this was compulsory to the best of my knowledge. However, it makes no difference. The results speak for themselves, regardless of whether the participants were volunteers for the whole programme or just a part of it. When we can persuade people to go voluntarily into treatment that they can stick with, their behaviour and their health improve dramatically and there are significant benefits for society, as well. I can let the hon. Lady have all the details of the NTORS study if she has not already had a chance to look at them.

Mr. Paul Flynn (Newport, West): In spite of these figures, will my right hon. Friend recall that the most recent judgment by the European drug monitoring service is that drug abuse in Britain is up to five times higher than

other European countries, and is by far the worst in Europe? In other countries, half the drug addicts are in treatment. What percentage of drug addicts are in treatment in this country, and how many will be in treatment in 10 years' time?

Dr. Cunningham: I am aware of the study, and I know that other countries claim to have much higher percentages of people in treatment than we do, although there is some dispute about some of the numbers. However, only a tiny percentage of drug misusers in this country are in treatment. That is the stark reality. On our best estimates, we can say that there are somewhere between 100,000 and 200,000 serious drug misusers in the country. When we look at the numbers who are currently in treatment, we can see that it is a tiny proportion. It is for that reason, among others, that the Government have changed strategy. We will continuously move resources away from simply dealing with the consequences into treatment, education, information and advice. That is the way forward. If my hon. Friend is saying that we have to make greater efforts to get people into treatment, he is right, and I agree with him. I am happy that at least on one aspect of these policy issues we are in some agreement.

Arrest referral schemes provide an excellent way of enabling drug-misusing offenders to obtain help and treatment early. The success of NTORS, which exemplifies our evidence-based approach, is being replicated through many arrest referral schemes and other criminal justice interventions in drug action team areas around the country.

Independent evaluations of Home Office drug prevention initiative demonstration projects provide good evidence that properly constructed arrest referral schemes can have a major impact on drug use—and, therefore, on crime.

Mrs. Ann Winterton (Congleton): How many police authorities have introduced arrest referral schemes so far? Has there been any independent evaluation of the impact of these schemes on reoffending rates?

Dr. Cunningham: I do not have the exact figure at my fingertips, but the objective is to have suites for referral in all the main centres as quickly as possible. I will ask my colleagues at the Home Office to give the hon. Lady the details. We believe that there is considerable potential for improvement and I hope that, before too long, we will be able to make further announcements about how we intend to develop the work.

The average weekly expenditure on drugs of those picked up by the schemes—this is also very illuminative—was £400 before their contact with the scheme. In almost all cases, that was financed by criminal behaviour. The top three methods of raising the money were shoplifting, selling drugs and burglary. After arrest referral and treatment, average expenditure fell to £95 a week—a 75 per cent. reduction—with corresponding reductions in the use of drugs, especially heroin and cocaine or crack, and in drug-related crime.

Similar results are being reported in other schemes, as we know from drug action teams' reports. That is why we plan to double the number of arrest referral schemes this year, and we have set ourselves a target of ensuring that 100 per cent. of custody suites are covered by arrest referral schemes by 2002.

The Home Office will issue guidance on good practice in setting up arrest referral schemes and other intervention programmes in the criminal justice system this summer. There will also be a significant expansion of probation and court referral schemes in line with the emerging evidence of the drug treatment and testing order pilots and other studies.

Of course, there is no point in reducing the number of drug misusers if more are being created by the dealers who plague our communities. We must concentrate our efforts on prevention as well as cure. Drug education is central to our strategy and evidence is mounting that appropriate drug education helps children to build up the skills and confidence that they need to resist drugs. A recent report by the drugs prevention advisory service strongly suggests that life skills programmes in primary schools can delay or prevent the onset of smoking and drug use.

Mrs. Cheryl Gillan (Chesham and Amersham): Has the Minister visited any of the education schemes, and in particular is he aware of the DARE—drug abuse resistance education—scheme which was in operation in Nottingham when I was a junior Minister in the Department for Education and Employment, and which has proved extremely successful?

Dr. Cunningham: On the first part of the question, yes, I have visited such a scheme. I went to a school in Camden with Keith Hellawell to have a look at how it was working in practice and to talk to the young people and staff. We also know about the DARE scheme, which has had significant successes. My hon. Friend the Parliamentary Secretary, Cabinet Office has visited the scheme, but that was before the general election. We are kept in touch with its progress by a significant number of both Government and Opposition Members, who continue to recommend it highly to us. I congratulate those involved on the good work that is being done.

Mr. Flynn: Will my right hon. Friend give way?

Dr. Cunningham: I will give way one more time, but I do not want to make an extremely long speech, as others want to speak.

Mr. Flynn: The answer to this could be helpful. I have had a long correspondence with Ministers in the Department for Education and Employment in both the previous and the present Government, and I have asked this question many times without getting an answer. Perhaps my right hon. Friend can rectify that. Is there an example of an anti-drugs education programme in this country or in any other country, in this century or in any other century, that has led to a reduction in drug use?

Dr. Cunningham: This is where my hon. Friend and I part company. He seems to be absolutely consumed with the culture of failure. Because things have not worked in the past, he concludes that nothing can work in the future. I do not share that pessimism. Even if policies are not succeeding as well as we would like, the idea that we should give up and do nothing, or leave our children and young people even less well informed or prepared to resist the menace that drugs present to their lives, health and

[Dr. Cunningham]

careers does not recommend itself to me at all. Even when our efforts do not work, that is a reason not for giving up, but for trying even harder to combat the problems.

The drugs strategy is clear in its recommendation that drug education needs to be set in the context of personal, social and health education in schools. My right hon. Friend the Secretary of State for Education and Employment has recently sent out for consultation a framework for personal, social and health education across all four key stages which will do much to strengthen and underpin the delivery of drug education in schools.

Our research programme will help us to develop further our evidence base so that we can target our resources on the most effective programmes of action.

There will be no let-up in our determination to pursue the drug dealers. My right hon. Friend the Home Secretary has introduced a seven-year minimum sentence for third time class A drug traffickers, and we will continue to give the police and other enforcement agencies every support in tackling such offenders.

The framework is in place, the resources have been identified and the targets have been set. It is time for us to start delivering. As everyone accepts and acknowledges, that will be a huge challenge, but we must ensure that the policies in place result in our meeting that challenge. If they do not, we stand prepared to review, alter and develop them in ways that, eventually, will help us to beat the drug problems that threaten so many of our communities.

9.58 am

Mrs. Ann Winterton (Congleton): I welcome the fact that we are having a wide debate on drugs in Government time. That is completely appropriate, and I believe that it is the first full debate on drugs—we have had short Adjournment debates—in this Parliament.

The Minister talked about the targets that he and his Department have set. It must be admitted—indeed, he did so—that the targets will not be properly assessed until 2002 and there are no baselines yet in place, although I understand that the appropriate research will be undertaken, which is welcome. I am sure that he will accept the political point that within this Parliament the House will have no way of assessing whether the strategy is effective.

When we talk about drugs outside the House people recognise that they are a huge problem and say that something must be done. They are not too sure about what should be done, which is why we need the strategy, but it is important that no claims are made for its success when that cannot genuinely be assessed before 2002. The reality on the streets is that drug taking is on the increase. The use of heroin in particular is rising, and the fact that it is being abused by younger and younger children concerns us all.

The right hon. Gentleman mentioned funding and announced further increases, all of which, although they are to be welcomed, were already known about. I appreciate how difficult it is to prise open the fingers of the Treasury when further expenditure is necessary, but if the Government are serious about reaching and achieving their targets, they must think about the funding allocated so far. Many organisations in the field have expressed doubts about whether there will be enough resources on the ground to wage the battle against the scourge of drugs in our society, and the lack of consistency in funding and services that characterises the anti-drugs effort in this country now must be tackled as a matter of urgency.

I am pleased that the Government, in building on the approach of their predecessor, are putting flesh on the bones of the policy. I would also like to put down a marker that, in shifting the emphasis to prevention and education, we must not show any lack of commitment to law enforcement. The Government should send a message of unequivocal support both to those who are upholding the law and to the innocent victims of drug-related crime.

A clear message must also be sent to those who favour decriminalisation of certain drugs. Most recently, the British Medical Association's Scottish committee for public health medicine has tabled a motion at its conference to launch a campaign for cannabis to be made legal in certain circumstances.

In legalisation for medicinal purposes, this country leads the world with the trials commissioned by the Home Office, for which I give credit to the Under-Secretary of State for the Home Department, the hon. Member for Knowsley, North and Sefton, East (Mr. Howarth). Those trials seek to test the derivatives of cannabis—the cannabinoids—to ascertain their effectiveness, if any, in alleviating painful conditions in certain illnesses. I do not believe that the Government should act on legalisation in any way until the research trials are completed and have provided what we hope will be clear and unambiguous results.

On the wider issue of decriminalisation, we should remember that all the signatories to the United Nations declaration have reaffirmed resistance to legalisation for recreational use. That includes Holland, which is often cited as an example. The truth about Holland is that its liberal policies have failed terribly. It was claimed that greater tolerance of so-called soft drugs would allow the authorities to concentrate their efforts on the fight against hard drugs, but Holland is now the drugs capital of Europe not only for soft drugs but, according to senior customs officers in the United Kingdom, France and Belgium, for hard drugs, too, including heroin, cocaine and Ecstasy.

Dr. Brian Iddon (Bolton, South-East): Is the hon. Lady aware of the "Altered Minds" programme that Channel 4 broadcast a few months ago, which was also published as a booklet, which I have here? The chief of the Amsterdam police was interviewed, and when he was asked about the legalisation of drugs, he fully supported it.

Mrs. Winterton: Many people support the legalisation of drugs, but what has happened in Amsterdam means that the chief of police there is presiding over a terrible situation; that is nothing to be proud of.

Mr. Flynn: Will the hon. Lady give way?

Mrs. Winterton: I shall make a little progress first, and then I shall be delighted to give way.

Light sentences and liberal regimes in Amsterdam have attracted many international drug traffickers, who illegally supply hard drugs from the legal coffee shops—not

something of which either of the hon. Gentlemen who have intervened, or attempted to intervene, on my speech would approve. I hope that the chief of police in Amsterdam too would be concerned about it.

There has been an explosion in juvenile crime in the areas in which cannabis use is concentrated, and the number of addicts in Holland has tripled since liberalisation. No wonder children in Holland believe that it is okay to take drugs, and move from cannabis, which is legal, to other hard drugs, which are not but which are readily available.

I hope that the Minister will agree that the path of legalisation is dangerous, and that we must not humour those who tell us otherwise. I shall now humour the hon. Member for Newport, West (Mr. Flynn).

Mr. Flynn: I am delighted to be humoured by the hon. Lady. Has she ever visited Amsterdam? If not, will she do so? I would be happy to pay her fare and accompany her around the city; she would probably find it less frightening than her own constituency on a Saturday night. What is the source of the figures that she gave us? Could it be the Dutch embassy, for instance?

Mrs. Winterton: I must turn down the hon. Gentleman's kind invitation to pay my fare to Amsterdam. Others, too, have offered, and all of them believed in the same cause as the hon. Gentleman. I have indeed visited Amsterdam more than once, but not in my official capacity as Opposition spokesman. When I do so again, I shall go at my own expense, and quietly, without someone with a hand up my back pointing me in the direction of the things that they want me to see. I am sorry to say that although I humoured the hon. Gentleman, I must continue to disagree with him.

Mrs. Gillan *rose—*

Mrs. Winterton: I shall give way in a moment.

Incidentally, the view of the hon. Member for Newport, West—

Mr. Flynn: What is the source of the hon. Lady's figures?

Mrs. Winterton: They came off the internet, not from the Dutch embassy. I can substantiate the figures, and if the hon. Gentleman wants to see them I will show them to him afterwards.

I must tell the Minister that it worries me that some of the very people working in charitable and other organisations concerned with drugs share the view of the hon. Member for Newport, West and may seek, occasionally if not often, to use their position to push the debate in that direction.

Dr. Jack Cunningham: In case there is any lingering doubt in the hon. Lady's mind or in that of any other hon. Member, may I make it clear that the Government have no intention of decriminalising any illegal drug.

Mrs. Winterton: I am grateful to the right hon. Gentleman for saying that, and I now give way to my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan).

Mrs. Gillan: The hon. Member for Newport, West (Mr. Flynn) has challenged the statistics, but does the situation in Holland not have an effect on the United Kingdom? Our own Customs and Excise figures show that 80 per cent. of the heroin seized in the United Kingdom had passed through or been temporarily warehoused in Holland. Perhaps my hon. Friend would care to comment on that fact, because it shows that the liberalisation of the regime in Holland directly affects the United Kingdom.

Mrs. Winterton: I am grateful to my hon. Friend for making that point; I intended to make it later in my speech, but she has made it very well and I need add nothing to what she has said.

We must dispel the myth that some drugs are recreational. There is no such thing as a recreational drug, because the word "recreational" means doing something healthy. Using drugs is not an acceptable form of recreation.

It is also true that no drug is soft on the body. The notion that cannabis, in particular, is less harmful than alcohol and cigarettes must be challenged. It never ceases to amaze me that among a multitude of messages emanating from the Department of Health about the dangers of smoking tobacco, almost nothing is said about the dangers of smoking cannabis. Cannabis is more carcinogenic than cigarettes, and its active ingredient, THC, is retained far longer than alcohol or nicotine because it is absorbed by the fatty tissues. The resulting short-term memory loss and diminished capacity for learning may affect heavy cannabis users for longer periods than they imagine, and there is a real risk of dependency.

The effect of cannabis can vary widely, depending on which part of the plant is used, where it is grown, and the metabolism of the person who uses it. In particular, those who use strong varieties or who are inexperienced may become paranoid and anxious. It should be noted that the cannabis that is widely circulated now is considerably stronger—up to 200 times more potent—than that smoked in the 1960s when it acquired a benign reputation. It follows that the health effects of smoking modern cannabis are correspondingly adverse.

We must also spell out the effects of other so-called recreational drugs. We know from widely publicised cases such as that of Leah Betts that Ecstasy can cause death. However, we do not so often hear that it can cause surges in blood pressure which can lead to strokes from bleeding in the brain, memory disturbance and psychiatric disorders, as well as fits, kidney failure, flashbacks and paranoia. We should emphasise that those who take trips on LSD could suffer flashbacks for many years, while children who take speed may find that their growth and development are inhibited. Those drugs have serious long-term effects, as well as the short-term effects of paranoia and anxiety.

We should also be aware that it is common for a cocktail of drugs to be taken. For example, people going clubbing will take speed. They will then need temazepam or cannabis to come down and then more speed to become alert again. That compounds the damage. There is nothing recreational about substances that have such dramatic adverse effects and that may motivate crime, waste futures and pull families and communities apart. The message—from both sides of the House, I am glad to say—is that all illegal drugs are harmful. We must stick to our resolve not to legalise any drugs.

[Mrs. Winterton]

The Government have set targets in their 10-year strategy to reduce the number of people under 25 reporting use of illegal drugs in the past month and the previous year, and to reduce the proportion of young people using the drugs that cause the greatest harm—heroin and cocaine—by 25 per cent. by 2005 and by 50 per cent. by 2008. In this Parliament, we will not be able to assess whether the Government are on track to meet those results.

The objectives are laudable, but I wonder whether the targets are achievable. Does the Minister agree that one of the greatest barriers to achieving them is the culture of acceptance that has grown up among our young people. Mr. Keith Hellawell has spoken often of the normalisation of cannabis in schools, meaning that usage is no longer regarded as abnormal behaviour. The culture of acceptance has spread throughout our society. However—this is the answer to the question put by the hon. Member for Newport, West to the Minister—the American experience demonstrates that a strong anti-drugs campaign with a clear message can have an enormous effect if it is reinforced at all levels of society. The "just say no" campaign was also waged in Britain, but not as successfully because it was not supported.

I shall give the hon. Member for Newport, West some statistics. From 1980 to 1992, a 60 per cent. reduction was achieved in the use of all substances by all age groups. That has been evaluated and proved to be correct. We should take note of the fact that in 1992 drug use began to rise again when parents thought that the problem was solved and the Government became complacent and switched funding to other areas, and some pop stars began to promote the use of drugs. A prevention campaign can be helpful and can put young people off starting on drugs, if—as in America—it is done properly. I hope that the Government will have the energy and stamina to wage effective and unrelenting campaigns to ensure that in this country we do not become complacent after any early successes that we might have.

The economics of the situation are not on our side as far as young people are concerned. For example, an LSD tab, usually a liquid absorbed into paper sheets, can now be bought for around £2.50 and its effects can last for up to eight hours. Perhaps it is not so surprising that young people with limited funds, faced with the availability of drugs, alcohol and cigarettes decide that they will get a cheaper, longer-lasting and more immediate high from drugs. That factor makes our predicament more difficult. We have to ensure that young people are armed with the facts about the dangers to their health of taking such drugs.

We have the worst record in Europe for drug abuse. Does the Minister have any new thoughts on how to tackle drug taking by young people? Has he considered increasing the penalties for pushers who target young people? Can campaigns be targeted differently? Is there any value in gaining the support of those pop stars and other famous people such as sportsmen and women, whom the young admire and who could act as role models?

I commend the Government's efforts to build on drugs education in schools, but the primary emphasis must always be prevention rather than merely harm reduction. Although the effect of education can often be difficult to evaluate, we can agree that it could play an important role in the prevention of drug use. On best practice in our schools, I wish to draw the House's attention to a joint report recently published by the Association of Chief Police Officers and its drugs sub-committee with the Roehampton institute, London, which suggested that while schools should take the lead in drug education—we all agree with that—police input is valuable, especially in their area of expertise of drugs and the law and at primary school level.

An excellent example is that of the Hampshire police authority. It has 23 full-time primary school liaison officers, covering ages four to 11 and, on the initiative of the 15 areas within the authority, 23 secondary school liaison officers have also been introduced. Officers have a three-week training programme before going into schools, and the programme also covers wider life skills. The authority has built a truly integrated approach with support from personal, social and health education and promotion schemes, as well as parents and governors. Their emphasis on making drugs education fun—for example, through performing arts competitions—was found in evaluations to be effective.

Other schemes have been evaluated and found to be effective. One is the Life Education Centres—I have visited the one in Cheshire—which are partially supported financially by the Rotary club. It is an excellent programme for primary school children, which enhances their self-esteem and social skills so that they can resist peer pressure. Another excellent scheme is run by the drug abuse resistance education—or DARE—organisation, which has already been mentioned this morning. It is perhaps the best evaluated of all the schemes. It is teacher-led, but it sends police officers into primary schools, which is good for the children as well as for the officers who get to know the communities in which they are operating.

I visited the Sir John Cass foundation primary school in the City of London, where the City of London police are backing the DARE scheme. The school has a multi-ethnic mix—there was only one white child in the class I visited. The relationship of those children with the police officers, supported by parents and the school, was worth experiencing.

The Minister knows that funding is the crux of the matter, because effective programmes cost money. The Hampshire police authority spends £900,000 on its youth programme, and DARE in Nottinghamshire spends £740,096.

Does the Minister share my concern that funding is not consistent and that a surprisingly high proportion is provided by the police service? Programmes are funded as a matter of good will, but the cost of evaluation is high and programmes are developed at the discretion of chief constables, who may choose to prioritise other aspects. Will the right hon. Gentleman assure the House that, although the police can play a positive role in schools, they should not be relied on to fund effective and imaginative drugs education programmes for our children?

How will the proposed drugs prevention board help co-ordinate the approach to drugs prevention and education? Will it have a role in relation to funding?

I hope that the Under-Secretary of State, when he winds up the debate, will be able to provide some answers to those questions.

It is imperative that effective treatment is available for those young people whom we are unable to prevent from taking drugs. At present, few drug treatment services are available to young people under 16. They have to wait an average of three months for treatment, but for many the wait is much longer. At the Birmingham conference of the Royal College of Psychiatrists, Professor Harvey Zeitlin, professor of psychiatry at University college, London, pointed to the absence of resources devoted to the treatment or management of juvenile substance abuse. Also, few clinicians have relevant expertise, and that problem must be rectified through appropriate training.

Do the Government support the view that child drug abusers require different services from adults? Is appropriate action being taken to ensure that such services are expanded? Drug misuse at a young age may relate to a range of complications in the life of such children and their families, and hard cases—such as those involving teenage prostitutes living on the streets, or youth offenders—will require the attention of specially trained professionals.

Although young people must be protected from older abusers who may teach them new habits, will the Government reject the suggestion that under-age children might be treated without their parents' consent? Does the Minister share my view that parents are responsible for children under the age of 16, and that that responsibility must not be usurped by doctors or people working in drug treatment agencies or other organisations?

Treatment can be effective only when a young person has decided to give up. According to the proverb, "You can lead a horse to water but you can't make it drink", but once a child has decided to go for detoxification and rehabilitation we must provide appropriate support, as there will often be slips, lapses and relapses during the return to abstinence.

The proliferation of drug abuse can destroy local communities. I welcome the Government's determination to reduce the level of repeat offending by 25 per cent. by 2005 and by 50 per cent. by 2008. It is estimated that, in the past 12 months, half of those arrested who reported using drugs had committed crimes that were connected to their drug habits.

However, I am concerned that the burden of funding for drug treatment increasingly falls on the police. Earlier this year, chief constables were informed that, in future, 1 per cent. of their budgets—or £60 million—could be used for drug treatment purposes. More recently, the Home Office has proposed that everyone arrested who has a drug problem should have the opportunity to be treated. That will place an enormous strain on resources, although the objective is to be welcomed. It is estimated that as many as 30,000 addicts a year could be sent to clinics charging between £500 to £1,000 per person per week. Do the Government still consider that the police should pay for treatment because they will benefit from a fall in crime? The Minister will be aware that police resources are under strain and that the high cost of treatment would be crippling for the service.

Considerable hype surrounded the introduction of drug treatment and testing orders, but the results of the pilot projects in Liverpool, Gloucester and Croydon have been disappointing. Can the Minister offer any explanation as to why the schemes are failing? He has said in the past that changes will be made if the schemes are found not to be an effective use of resources. When is that point likely to be reached?

When he winds up the debate, will the Under-Secretary comment on the progress of measures to combat drug taking in clubs, which has led to the widespread use of so-called recreational drugs? How many clubs have been shut down or involved in anti-drugs campaigns, and what further progress can be made in that area? The House will know that Operation Bumblebee, aimed at stamping out burglary in the capital, was extremely successful. Can the same tactics be used to fight drug taking in clubs?

In formulating any such operation, it should be acknowledged that drug taking and drug dealing are not confined to the interior of clubs but take place in the surrounding areas. Many clubs search people on admission, so clubbers are more inclined to buy and take drugs before they enter. However, although police blitzes may not stamp out the problem and may even move it elsewhere, they show the authorities' willingness to fight drug taking. I think that that approach has been shown to be effective in the past.

The abuse of drugs can threaten the safety of others in the community. Driving under the influence of drugs or using drugs in the workplace are especially dangerous examples of that. It is estimated that drugs are involved in 16 per cent. of road deaths, and cannabis is identified in two thirds of fatal accidents. However, roadside screening devices are not yet available, although they are being developed. Drugs are abused at all levels in society, and it is important that a strong message is sent out that taking drugs in the workplace is not acceptable.

We must emphasise that the final aim of all treatment should be the eradication of drug use by a person, and that person's complete detoxification. In the short term there are benefits, as the right hon. Gentleman mentioned, from schemes such as needle exchange programmes and maintenance therapy. However, we must be clear that drugs are intrinsically harmful and that we must get people off them.

Private prescribing still poses a problem. Methadone is still leaking onto the black market, despite the guidelines on drug misuse and dependence that were published in April. Will the Government examine, for example, Cumbria's drug action team policy, which I should have thought would be close to the Minister's heart? That excellent policy, under which pharmacists dispense methadone on a daily basis under supervision, has reduced that leakage as well as overdosing.

The fight against drugs needs consistent services and stable funding. Residential treatment places are being lost through a lack of funding. There has been a 25 per cent. drop in residential places in the past six years, and there is a lack of qualified staff to deal with addicts. Extensive waiting times are counter-productive. Earlier this week, I spoke to a number of consultants at treatment centres who told me that patients ready for detoxification need to begin treatment within two weeks. People who are kept waiting for 8 to 12 weeks—the present delay—lose their motivation to proceed with the detoxification. It can take weeks or months for funding to come through for residential accommodation. Addicts may be discharged, or may discharge themselves, without having received appropriate treatment.

[Mrs. Winterton]

Dual diagnosis cases pose particular problems. Patients with mental health problems who also abuse drugs seem to slip through the net. Mental health professionals and drug treatment professionals believe that they do not offer a service appropriate to such patients. Without specific facilities and further staff training, patients will not receive the necessary treatment. Can the Government offer any assurance that facilities and their co-ordination will improve?

An extra £217 million is being put into anti-drugs activities over the next two years, much of it for treatment. Can the Government assure us, however, that they appreciate the need for stable funding for drug treatment? Rehabilitation after detoxification is slow but vital, and continuing support is essential. It is estimated that one month of rehabilitative support is required for each year of drug use. Stable funding would allow staff to be recruited on longer-term contracts—nothing can be done quickly in drug treatment—and would allow drug action teams and agencies to plan their services better. The strategy sets the short-term target of establishing over the next year comprehensive frameworks for treatment in all prisons to improve assessment of, advice for and support of prisoners.

The House will be aware of the findings of the Home Office's report on Wormwood Scrubs and its drugs strategy. To say the least, the report paints an extremely dismal picture, suggesting that drug use was a significant problem and that prisoners did not receive proper support and treatment. The prison's detoxification unit reported in August 1998 that, out of 655 prisoners who had declared a drug problem over 12 months, only 132 were admitted to the unit.

Wormwood Scrubs provides an insight into the difficulty of reducing the availability of drugs in prisons. There was some disagreement over the scale of the problem: specialist drug treatment workers perceived a far greater problem than prison officers. Security was compromised by a range of factors, including a lack of trained staff to operate cameras in the visits area. A passive drugs dog had been introduced only within the previous few months. Cell searching targets were not met, and staff were taken away to other duties. Staff shortages in the mandatory drugs testing team left it often unable to test on suspicion within a reasonable time, and class A drug users may have escaped detection. The report is a litany of disaster, which I hope will not be repeated elsewhere in the Prison Service.

We welcome the Government's aims of reducing access to drugs among young people, and increasing assets seized from drug traffickers. There is no mistaking the scale of the task. Although seizures of illegal drugs multiplied by 10 between 1987 and 1997, availability declined not one jot. We must maintain our commitment to Customs and Excise. Intelligence work is crucial to its success, and front-line resources are needed. I should be grateful if the Minister would comment on the threat to 1,200 jobs over the next three years. The supply of drugs to the United Kingdom seems greater than ever, and it is essential to maintain resources on the front line.

We support the Government's actions in seizing assets from drugs barons and channelling the money into action against drugs. I pay tribute to Strathclyde police and the Scottish crime squad on their recent success in seizing heroin. I welcome the possible confiscation of illegal drug assets, proposals for which are being considered by a working group. Can the Minister inform us of the group's progress? When will it report?

Reports say that the number of drug factories in the UK and abroad is growing. The National Criminal Intelligence Service has warned that criminal gangs are interested in manufacturing drugs in the UK. NCIS fears an expansion in the manufacture of synthetic, or designer, drugs. Can the Minister assure us that every effort will be made to track down and stamp out drug factories, and every step taken to stem the tide of illegally imported precursor chemicals or drugs? Will he confirm the Government's commitment to seeking effective international co-operation on drugs? We must suppress the flow of drugs to the UK by every means at our disposal. We must suppress drugs—at source if possible, but all along the route into the UK—if we are to win the battle against international traffickers.

We face the enormous task of first controlling and then diminishing the availability of drugs on our streets. The scale of the task is frightening. Support and co-operation are required from us all to ensure that the lives of future generations are not blighted by the scourge of drugs. The lives of law-abiding citizens must not be blighted by drug-related crime. The Opposition pledge our support in the battle. We shall play our part.

10.37 am

Liz Blackman (Erewash): I am glad that the terms of the debate are widely drawn. There are many interlocking elements in the debate on drugs and their misuse, including prevention, the breaking of dependency, prevention of criminal behaviour and the legal status of categories of drugs. My background is in teaching and working with young people. Abuse is evident in my constituency, particularly among small pockets of young people. Prevention is therefore my key topic.

The British crime survey 1997 said that 25 per cent. of 11 to 14-year-olds had been offered drugs, a shocking statistic. The Department of Health estimates that 40 per cent. of children will try drugs. Abuse exists from the top to the bottom of our society. Prevention must be better than cure.

The White Paper emphasises that drugs education should be an essential part of the curriculum from ages five to 16. What is taught must be coherent. It must be based on good practice, and it must be constantly evaluated. It should be process-based, and long term. I applaud the long-term vision of the 10-year strategy. We must teach in an open way, and teaching must be appropriate to the age of the children. We should recognise why young people become abusers: reasons include peer group pressure, teenage uncertainty, curiosity and domestic unhappiness. It is to be regretted that drug abuse is the norm in some families and communities.

Many programmes exist to tackle drug misuse, some developed by individual schools and others more collaborative. I commend the workings of the drug abuse resistance education project—DARE. I, too, am familiar with it. At its heart is the essential element of good drugs education. There is much to be learned from it.

That project has been running in Nottinghamshire schools for a few years—its remit has now been extended to at least six counties. What is different about it is its

partnership approach. That is apparent in the funding of the project, which it receives from voluntary, community and local authority sources, and from the police involvement, both of resources and personnel. That partnership is also reflected in the delivery of the project, which is carried out by teachers and the police in partnership with children and parents.

DARE originated in the United States and was implemented to protect young children and give them skills to resist drugs and violence. The use of research to promote state-of-the-art knowledge effectively to prevent children accepting and becoming hooked on drugs is continually ploughed back into the programme. There is constant evaluation and the best possible practices are in place. I am a great believer in using whatever works and taking the best possible practice from wherever one finds it.

In Nottinghamshire and the other counties the DARE programme is targeted at junior school rather than younger or older children, although it is right to target drugs education on children from the ages of five to 16. However, DARE is particularly appropriate to the junior school age group. The focus on developing skills to recognise and resist social pressure to experiment with drugs misuse, to enhance self-esteem and to provide and show positive alternatives to substance misuse, to develop decision-making and risk-assessment skills and build interpersonal and communication skills is at the programme's heart. It is process rather than information-based, which is its strength.

The other essential element is police involvement. Sir Richard Mayne said in 1839:

"The primary object of an efficient police is the prevention of crime, next that of detection and punishment of offenders if crime is committed. To these ends all efforts of police must be directed."

The DARE project takes that advice seriously. Why is police involvement in the programme so good and effective? Children can relate the anti-drugs messages to the real-life experiences related by police officers. They see the officer as a credible source of information and a good role model. It is a good opportunity to meet the police in an educational context. The children recognise them as real people—fellow citizens—endorsing law-abiding behaviour. Time working on DARE enables officers to develop the skills identified in the Macpherson report, which resulted from the tragic death of Stephen Lawrence.

Mrs. Gillan: I am listening carefully to what the hon. Lady is saying about the DARE project and she knows that I, too, support that approach. She will probably know that it is a franchise scheme that came from the United States. It has been taken up in more than 40 countries. A great help to the scheme has been the close involvement of personalities and the fact that television stations show cartoons on the subject to enthuse children about it, for example. Does she agree that it is to be hoped that more personalities and more of the media here will get behind a project such as DARE, so that it can yield the success rate that it had originally in America where it started 17 years ago?

Liz Blackman: With any good initiative that has such widespread results I would endorse media backing and exposure. I entirely agree with the hon. Lady.

At the heart of the education process is the objective of developing high self-esteem in children. From that flows the child's ability to say no. Schools and colleges must build self-esteem not only through a dedicated drugs element in their citizenship and personal and social education programmes, but through everything that they do. That is what the whole input should be about. That means high-quality teaching to ensure good core skills, literacy and numeracy, access to a relevant and appropriate curriculum and good links with the home—literacy links and involvement in children's learning.

In certain areas with high social need additional resources are required. Resources such as sure start and education and health action zones will help to build on the quality of children's experience. High self-esteem is, of course, built in families as well as in the schools and communities in which young people live. Decent housing and opportunities for employment are also important. A lack of those fosters a breeding ground for drug pushing and misuse, crime, despair and low self-esteem. Where those opportunities are absent, sub-cultures develop that move beyond society's norms because they have no stake in society. I applaud the Government's initiatives such as the new deal, working families tax credit and the estates action programme. Prevention is long term and will require a multi-faceted package and approach.

Inclusion is about skills, earning ability, feeling able to make a contribution and taking responsibility. I commend the Government for taking such a holistic view and driving forward a long-term prevention agenda, but I do not deny the need to tackle dependency and crime. When some very small children in my constituency go to school they say goodbye to a drug-dependent parent or sibling. I want us to concentrate on prevention as a more effective way to change the drugs culture.

10.47 am

Mrs. Jacqui Lait (Beckenham): I begin by apologising to you, Mr. Deputy Speaker, and to the House, as I have to leave to attend a constituency function and I will not be here to hear the replies. However, I look forward to reading *Hansard*. I will be most appreciative if the Minister responds to any of my questions.

Having listened carefully to the debate, I have been struck by the fact that other than a brief reference by the Minister for the Cabinet Office little has been said about the origins and source of drugs. There is widespread acceptance that we must deal with the problem and I do not for a moment disagree, but we must also tackle directly the source of supply.

Perhaps I am being innocent and naive, but I want the farmers who grow coca leaves and poppies to have a replacement crop that is equally valuable to them. I know that that is easier to say than to do, particularly when one considers the involvement of the crime cartels in central America.

Thinking tangentially, as modern pharmaceuticals are developing and more links are being made to drugs that stem from the natural world—from trees and plants—those could be a source of new crops that those farmers might find more valuable. Hence, the pharmaceutical industry could get involved and there would be a beneficial effect in producing some of the new and rare drugs that are needed to treat the ever more complex

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diseases to which the peoples of the world are subject. I hope that the Government are not focusing on that matter only through the United Nations, although it does a good job. Given our long-standing programme of aid to the world, we should be more directly involved in such programmes.

Once the drugs have been manufactured, they are, unfortunately, imported into this country—a statement of the obvious. I was alarmed to hear from my hon. Friend the Member for Congleton (Mrs. Winterton) of the possibility of job losses in Customs and Excise. As the House will know, one of the subjects that I have raised on many occasions is that of the smuggling of tobacco and alcohol. The Government have allocated extra front-line and intelligence resources to customs. Given the Government's policies to increase taxation on tobacco and alcohol, the problem of smuggling will become greater. If that is allied with increasing imports of illegal substances, I am seriously alarmed at the prospect that 1,200 jobs in customs will be cut. Alternatively, it may mean that the Treasury may have a change of heart and will reduce the duty on tobacco and alcohol, hence removing the profit from smuggling. That will reduce the work of customs and, perhaps, justify the loss of 1,200 jobs. However, that is a separate subject.

Mrs. Gillan: Is my hon. Friend alarmed—as I am—that the Minister did not instantly leap to his feet to rebut those rumours? By his acquiescence, he contributes to the rumour of forthcoming cuts among Customs and Excise personnel.

Mrs. Lait: I agree entirely.

Dr. Jack Cunningham: Will the hon. Lady give way?

Mrs. Lait: May I answer my hon. Friend?

Dr. Cunningham: I should like to answer the hon. Lady too.

Mrs. Lait: I was about to suggest that, as the Under-Secretary of State for the Home Department was looking so absorbed and intrigued, it meant that we would receive a definitive answer on the subject in his summing up. However, if the Minister for the Cabinet Office wants to make a point, I am happy to give way.

Dr. Cunningham: I merely remark on a significant change of tune on the part of the hon. Lady and her hon. Friend the Member for Chesham and Amersham (Mrs. Gillan). They supported a Government who actually did cut the number of front-line Customs and Excise workers—it was no rumour. They had prepared to cut several hundred more jobs, but we prevented that. Perhaps we should deal with facts rather than rumours.

Mrs. Lait: The rumour comes from the customs workers' unions. Perhaps the right hon. Gentleman can discuss that with them. I point out that my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), the former Chancellor of the Exchequer, was doing something positive to reduce the incentives to smuggle tobacco and alcohol. The current Chancellor, however, is exacerbating that smuggling by increasing taxes on those commodities.

Mrs. Gillan: I thank my hon. Friend for her generosity in giving way again. Does she agree that it is rather poor that the Minister for the Cabinet Office should rush to his feet, not to deny the rumoured cuts, but to attack the previous Government? Was that not a poor intervention? It adds fuel to the point made in my first intervention on my hon. Friend.

Mrs. Lait: Given the exchange that has taken place, I am sure that the Minister will either confirm or deny the rumour in his reply. If he does not, we shall draw our own conclusions. However, one hopes that the customs unions will be reassured by his answer.

We have talked a great deal about the systems that are being set up—the co-operation between the police and health and social services; the new teams; the bureaucracy and the processes. However, it is striking that few contributions so far have focused on how we try to help those who are addicted to drugs—apart from that of the hon. Member for Erewash (Liz Blackman), who briefly mentioned that matter. If we cannot help those people, then those systems are no more than an enormous and expensive superstructure.

I am sure that, in all our constituency surgeries, we have seen people with their sleeves rolled up showing the blisters and scars from injections. That is a most off-putting sight, to say the least. When people have been injecting for a long time, there is not an inch of their arms that has not been destroyed in some way. We have to deal with that reality; we should not have to satisfy the bureaucrats who have set up a nice process that helps them, but may not help the addicts. What concerns me about all the Government's proposals is that they would try to make addicts fit into the system. That is why I intervened on the Minister for the Cabinet Office; I am concerned that there is too great an element of coercion in the system.

Liz Blackman: Does the hon. Lady accept that we are talking about two sides of the same coin? We need to teach young people who are not yet on drugs to say no. That cannot be done by lecturing at them; we need a process whereby they feel able to say no. At the same time, we need to deal with people who are dependent on drugs. The one does not negate the other; both are important.

Mrs. Lait: That is absolutely right. Indeed, I could talk at great length as to the need for the effective education of young children. In my own family, young boys aged 5 can talk knowledgeably about drugs, but they have a built-in self-esteem because they have learned about those matters from an early age. They also have fulfilled lives; they are busy and happy and that is the key to giving them the self-confidence to resist drugs. However, from our surgeries, we all know that unfortunately not everyone is as lucky as that.

As we all know, the problem is that addicts often turn to crime. I was myself the victim of a drug addict when, in Portugal, my handbag was stolen. The Portuguese police handled the matter brilliantly; within two hours, I had

everything back, including my passport and my cards—which I had, unfortunately, cancelled. The thief was a drug addict, and the police knew where to go to find my belongings, because they knew who the drug addicts were. I am sure that we should find that it was the same in our constituencies. The police are well trained; they know who the drug addicts are and how to find them.

In many cases, the police try to get the addicts out of the system. However, unless the addicts are deeply convinced that they want to give up drugs, we shall never succeed. That is where the problem of coercion comes in. While drug addicts are feeling remorseful—should they ever feel remorse—they may agree temporarily to try detoxification. They may agree that their life style is chaotic and that they do not like what they are doing—mugging people and shoplifting. They will agree to anything to get themselves out of that predicament, but then the element of coercion comes in. They are told that they must attend a residential course—if they can get on to one; they must see a social worker; they must do this and they must do that. From my experience of addicts—whatever they are addicted to—I know that, unless they own the treatment, and it is not dictated to them, at some point they will rebel. They may go through the treatment and be detoxified, but they will go straight back on to the streets, if they do not own the belief that they want to stop being an addict. That is my concern about some of the systems that the Government are setting up.

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth): I had not intended to intervene, but since the hon. Lady has been courteous enough to say that she will not be here for the end of the debate, I think it would be as well to respond to her point now.

I ask the hon. Lady to reflect on the fact that the motivation behind much of our approach, which she thinks is slightly coercive, is that the criminal justice system—from arrest to sentencing to serving the sentence—offers us a good opportunity to deal with people who are afflicted both by drug addiction and by the criminal activity that often accompanies it. I hope that she agrees that that opportunity should not be wasted.

Mrs. Lait: I would not disagree for a moment that the opportunity should not be wasted; I am not saying that those programmes should not be in place. However, unless addicts themselves genuinely believe that what they are doing will help them, they will simply be going through the motions and they will not succeed, with the result that there will be relapse after relapse.

I dearly want the Minister to tell me that the Government will not be too prescriptive. A constituent of mine attends a clinic in the east end of London. The clinic is finding life extremely difficult because of the Home Office presumption that its method of treatment feeds drug addicts' habits, rather than stabilises them. The clinic's approach is different—it does not fit into the neat and tidy pattern that characterises so much of the Government's action.

The clinic has 865 long-term addicts, many of whom have been injecting for 25 to 30 years; they have been in and out of prison, detoxified, and have repeatedly gone back to the streets. The clinic's method of treatment does not fit easily into Home Office prescriptions, but it gets the addicts stabilised by providing the social and emotional support that so many of them need. A number of those treated by the clinic are now almost drug free and they have re-established good relations with their families, so they are now less of a problem to the rest of society. I do not want clinics that offer adventurous treatments to be closed down because they do not fit into the neat pattern that the Home Office has decreed is the best way to deal with the problem.

Finally, there is a pressing need for general practitioners to have greater skills in the treatment of drug addicts, and for GPs to be able to fit drug addicts into their practice without other patients feeling that they no longer want to attend the practice. Because of drug addicts' chaotic behaviour, many GPs feel that they cannot treat them in their surgery. More training of GPs in how to treat drug addicts and the options available for that treatment is needed.

My principal concerns are that drug use should not emerge in the first place and that those who are addicted to drugs have the widest possible range of opportunities to break their addiction. I hope that the new structure will be more flexible and that it will not use too great a degree of coercion.

11.4 am

Dr. Brian Iddon (Bolton, South-East): I congratulate the Government on allowing this morning's debate on an issue that affects the lives of millions of our citizens.

I first became interested in brain chemistry in the early 1960s, when I carried out research for my PhD on serotonin agonists and antagonists. Serotonin is a chemical that helps to maintain brain balance: an excess in the brain leads to excited states, whereas a shortage produces depression. Many other chemicals can either alter the levels of serotonin in the brain, or emulate or antagonise its behaviour. From that time until the general election in May 1997, I was responsible for synthesising thousands of new compounds with potential biological activity. Therefore, my background gives me an interest in the subject of today's debate.

In early summer 1997, Dillon Hull, aged five, was tragically shot dead in my constituency in a drug-related attack on his father. That event rocketed me into the politics of drugs. At that time, I called for a royal commission to discuss that complex area of social policy; I still believe that such a commission is needed. Later this year, the Police Foundation will deliver the results of its two-year inquiry, and I hope that the Government will seriously consider the conclusions, whatever they are. Other important reports have been published since the 1997 general election—for example, the report of the House of Lords Science and Technology Committee on cannabis for medical usage.

I believe that the Government are seriously committed to dealing with the problem of misuse of drugs. In addition to the £1.4 billion already committed to that area of expenditure, £217 million has been allocated from the comprehensive spending review, to which the proceeds of seizure of dealers' assets can be added. The Government have appointed two people to have direct responsibility for this issue and they report directly to the Cabinet Office. The document "Tackling Drugs to Build a Better Britain" was published in April 1998 and, more recently, the first annual report and national plan was published; it sets some very ambitious targets for the future.

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In 1998, all drug action teams—DATs—completed a template. Collectively, those have provided the UK anti-drugs co-ordinator with a review of all current work, and have identified gaps in service and priorities for the future in all regions of the country. I am pleased to say that the different agencies in my town, Bolton, are working together extremely well to tackle a complex problem in partnership. In a recent letter dated March 1999, the drugs co-ordinator referred to those templates as "draft plans", which has caused some confusion among DATs across the country. Now, I understand, the drugs co-ordinator expects strategy plans to be constructed on the back of the templates. However, most responsible DATs, such as the one in Bolton, have realised the urgency of their work and have already put plans into action.

The setting of targets by the Government has also caused some concern, because baselines are only now beginning to be established. Many agencies—more every day—are still collecting data to construct more accurate baselines, against which future progress can be measured meaningfully. I am pleased that the Government have committed £6 million to research to improve the database.

Dr. Jack Cunningham: I should first acknowledge that my hon. Friend and I studied together for our PhDs many years ago. His commitment to science continued for many years after I had been hijacked by the Labour party and drawn to this place.

My hon. Friend mentions templates and DATs, and I visited the Lancashire DAT recently. Even more recently, we held a conference of the chairmen of all the DATs in the country and we shall soon follow that up with a similar meeting with all the full-time co-ordinators. We recognise that they need clear guidance and continuing dialogue with Keith Hellawell and Mike Trace, both of whom are doing an excellent job. We have many lessons to learn from the people working on the ground in the DATs and we are determined to learn them.

Dr. Iddon: I am grateful for my right hon. Friend's comment.

DATs were originally set up with an overall co-ordinating role for the agencies working within their boundaries, but they now feel that they are expected to take part in the delivery of policy.

Schools are autonomous bodies and responsible for education policy delivery, with guidance from central and local government. Similarly, health authorities are responsible for the delivery of health policy. I suggest that DATs must receive clear guidance if their role has changed recently—and they believe that it has. A perusal of the literature, including the excellent Home Office reports, demonstrates that we cannot afford to waste any more time because things are getting worse, day by day. There has been a dramatic rise in heroin usage and the age of users is decreasing. In countries with more radical policies, such as the Netherlands, the opposite is the case.

Mr. Howard Flight (Arundel and South Downs): I may be anticipating the hon. Gentleman's next comments. However, in view of his medical background and direct experience in this area, I am extremely interested in his views on cannabis. Does he believe that its usage leads to the use of more serious drugs and should remain illegal, or should we concentrate on attacking major drugs?

Dr. Iddon: I should point out that I am trained not in medicine, but in chemistry. I will refer to cannabis later in my speech.

The European Association for the Treatment of Addiction (United Kingdom) is a charity that seeks to improve access and quality in the treatment of people who depend upon alcohol and other drugs. Its members are 35 United Kingdom-based treatment centres, which are responsible for 4,000 treatment episodes a year. They reported recently that the level of state-funded treatment among providers has dropped in the past three years. Some centres, including NHS-funded centres, have closed and others, such as Drugs Northwest, feel at risk. That centre has only 24 beds and must serve the whole north-west region. Those facts are supported by the Standing Conference on Drug Abuse—SCODA.

I believe that the purchaser-provider split in the national health service has caused those problems for state-funded drug treatment centres because they are often regarded as the last places to which money should be directed. I hope that the extra Government money will quickly reverse that depressing trend. The new drug testing and treatment of offender orders being piloted depend on that. I agree with other hon. Members that there is a dire need for treatment of those in the under-18 age group.

My interest in this area of social policy has made me realise how much we depend on the voluntary sector, which is highly motivated and carries out some excellent work. There are some gaps, such as a need for more support groups for users. However, I have concluded that there are enormous numbers of such groups—small and large—and that better co-ordination between them would be useful. Why not have a national organisation like Age Concern that we could call Drug Concern? I recognise that some organisations, such as SCODA, are attempting to play a co-ordinating role, but they are not all-inclusive.

Mr. Michael Clapham (Barnsley, West and Penistone): Does my hon. Friend believe that the new community safety agencies established under the Crime and Disorder Act 1998 could play an over-arching co-ordinating role between all bodies operating in a particular borough and focus their attempts to deal with the drug problem?

Dr. Iddon: I would certainly welcome that possibility in the future.

I am chairman of the all-party drugs misuse group, and I take this opportunity to invite all hon. Members present for this debate to attend our meetings if they have not already done so. We are currently investigating the links between drug misuse and mental health. However, I must emphasise that my comments this morning are my own and do not represent the views of any member or members of that group.

People who misuse drugs can, and do, seriously damage their brains. There is clear evidence that Ecstasy damages the brain—we have still to establish whether that damage is reversible. This message appears to be getting

through to those who use Ecstasy, thanks to the assistance of the more responsible dance magazines, such as *Mixmag*. Other factors might be responsible for a drop in its usage, such as the fact that cheaper alternatives are now available—wh , unfortunately, includes heroin. It is now being sold as Brown—a drug that is "safe to smoke". It is not, of course, and we must concentrate on getting the dangers of that evil drug across to our young people in particular.

As the dance scene changes, so do the drugs. So culture plays an important role in the misuse of drugs. We need "clean" role models that our young people can look up to—whether in the entertainment world or in the sports field. The misuse of drugs can, and does, often lead to mental illness. Cocaine and amphetamines will produce psychotic episodes in particularly vulnerable individuals. On the other hand, people who are mentally ill often misuse drugs as an escape mechanism.

Many people are both mentally ill and on drugs. Dual diagnosis—which has been referred to already—is not yet common in this country. We continue to treat people on psychiatric wards without also treating the possible cause of their problems, which is a complete waste of valuable national health service resources. In the United States of America, 50 per cent. of those with a mental illness are believed also to misuse drugs. This is a difficult area in which to collect data, because the illegality leads to a fear of admission. In the United Kingdom, the figures are estimated to lie between 30 per cent. and 50 per cent.

Drug misusers often have multiple problems: unemployment, homelessness, involvement with the enforcement agencies, relationship breakdowns, mental illness and poor health in general. Consequently, their lives can be chaotic and they are the army of the socially excluded. They are often unknown—and not even counted by the census. We really do not know how many people are in this army, but at least the Government are attempting to address their problems through their policies and trying to prevent any more people joining up.

Even if such people are on benefit, they will present problems—when they enter the new deal gateways, for example. Unless their drug misusage is addressed, it is doubtful whether they will be able to concentrate on employment opportunities. I hasten to add that some addicts can, and do, hold down responsible jobs by being clinically maintained. They do not have to rely on the street market for dangerous supplies of their drug of choice, which is often heroin.

The witnesses that the all-party drugs misuse group have heard from have given us some interesting evidence that we will include in a report to be published in the autumn. One woman told us that she felt safer in prison than on a psychiatric ward because she knew how long she would be in prison, whereas the psychiatric ward wanted her back in the community as quickly as possible. She added that it was easier to get back into prison than on to the psychiatric ward. Another witness made the perfectly valid point that society, including schools, does not teach children how to deal with their emotions as they grow up and, in adulthood, these can become unmanageable in some cases.

Mike Ward from Surrey social services has re-examined a number of high-profile homicide cases in which the coroner concluded that the perpetrators were mentally ill and that this was the cause of the murders. By talking to the friends and relatives of those convicted of the crimes, it became obvious to Mike Ward—who has written a book on the subject—that, in the majority of those high-profile homicide cases, the misuse of drugs, rather than mental illness, had caused the murders. Such cases have stigmatised mental illness, and we need to put that right.

Those working in the drug treatment field desperately need to know more about mental illness and those working with the mentally ill need to know a lot more about drug misuse. Funding mechanisms for those two areas of activity need to be brought closer together, and I hope that the Government will address those problems.

The Mental Health Act 1983 is out of date—I understand that the Government are currently reviewing it. I believe that any new mental health Act should include a reference to the misuse of alcohol and drugs. Rehabilitation for drug misusers following in-patient treatment is another problem that must be addressed. Returning a detoxified patient to his or her community and allowing renewed contact with his or her peer group results in the "revolving door" syndrome. In any case, some rehabilitation units will not accept clients who have been dually diagnosed. Although they are recovering from a mental illness, they are unwelcome in those units because they are known to be clinically maintained on illegal drugs.

Although I recognise that there is a place for methadone in drug treatment programmes, the House should not forget that methadone has resulted in more deaths than heroin and we need to review the way in which it is prescribed. I know that the Home Office and the Department of Health have the matter in hand. People who are maintained on methadone while working cannot be expected to visit a pharmacy daily. However, we cannot continue to allow methadone to leak on to the streets in ever-increasing amounts and become a street drug in its own right.

There are safer alternatives to methadone, and I have been urging the Government to investigate their use. Buprenorphine, for example, is now licensed for use in the United Kingdom, but it is not yet in common use because of a technical problem that has been drawn to the attention of the Secretary of State for Health. Buprenorphine is the drug of choice in countries such as France, where methadone is hardly used. It would also be helpful if the Secretary of State would allow laevo-methadone and laevo-alpha-acetylmethadol to be used by practitioners, at least on an experimental basis.

Drug trafficking is the best pyramid selling racket in the world. It is exploitation, mainly of the poor by the rich. Merely removing personnel from any level of those globalised financial pyramids, whether they are people at the base or Mr. Big at the top, does not and will not stop that trade. Those pyramids have an almost magical ability to reform. Profit is their driving force. Raw materials are plentiful and cheap, profits are high and the operators pay no taxes—at least not to Governments. That is the alternative economy, or the black market.

Ironically, tougher enforcement—the Tory approach—is good for business because it drives up street values and increases profits. Prohibition is not, and never has been the right tool to deal with such rackets. The black market in drugs is the third largest industry in Britain. It is larger in volume than steel or oil, and it is a rapidly growing,

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supply-led market. Over the three years from 31 March 1993, the number of heroin users aged under 19 increased by 35 per cent. Between 1995 and 1996, smack seizures increased by 52 per cent., according to a recent Home Office report.

That report is one of the best that has emerged from the Government, but it makes depressing reading. It rightly addresses one substance. Too often, in a debate such as this, we try to deal with all substances of abuse together, which is probably a mistake.

Drug trafficking not only damages our health, but seriously damages the country's economy. Most of the profit, after laundering, flows out to offshore tax havens. For many years it has been my considered opinion that the only way to deal with that problem is to collapse the financial pyramids by removing the profit incentive or by reducing profits to the levels of other industries. Whether we like it or not, to do that we would have to consider decriminalisation or even, if United Nations conventions would allow it, legalisation of illicit substances.

I am pleased to say that that right-wing newspaper, the *Daily Mail*, in its editorial on 26 May 1997, made the point, with which I agree, that if, in future, current Government policies do not work—like others I am prepared to give those policies a chance—we will have to return to the problem and consider decriminalisation or even legalisation. Surveys demonstrate, however, that at the moment the general public would not agree to such a radical approach, but things are changing, as the *Daily Mail* editorial reveals.

Before 1971, the general public accepted the idea of legalising substances such as heroin. Following the abandonment of the British system of dealing with abusers and addicts and the adoption of the American system, an ever-increasing proportion of our society has misused substances. I include alcohol in my definition of those substances.

Until this year, it was costing £1.4 billion to deal with the fall-out from drug abuse, and a high proportion of that money is being targeted at misusers, or users, of cannabis. I call for the decriminalisation of cannabis to release those valuable resources so that we can tackle the real problems, which are the evil use and sale of heroin, as well as other drugs such as cocaine and amphetamines.

I am pleased that the Government have seen fit to allow the first clinical trials in this country to ascertain whether cannabis has medical properties. Like many others, I believe that it does, and I look forward to the results of those clinical trials, which I understand might be published next year.

Significantly, the average age of heroin addicts in the Netherlands is 38. The Home Office report to which I have referred reveals that in Britain, however, even 10 to 14-year-olds are now taking heroin, with the 14 to 25 age group being at the greatest risk. We must be doing something wrong.

Mrs. Lait: I am now slightly confused about whether the hon. Gentleman wants to decriminalise only cannabis or all illegal substances.

Dr. Iddon: I am in favour of a step-by-step approach. I should certainly allow the use of cannabis for medical purposes tomorrow, and I am already on the record as having said that. However, that step would not entirely work because there is a grey area about who are the people who need cannabis for medical purposes. We would get into a terrible dispute about that. In any case, as I already said, I believe that we are wasting valuable resources on catching cannabis users and locking them up.

I shall cite an example from a letter that I received recently. Two teachers grew six cannabis plants at home for their own use; they were not selling the drug. We—society—trained those teachers, and I understand that they were excellent teachers. Somebody reported them to the police; they were caught, punished, lost their jobs and are now on benefits. That does not make sense. We have wasted the lives of two excellent teachers, whom we now have to maintain on benefits. I challenge anyone to argue that that is right.

The secretive nature of substance misuse means that we do not know the scale of the problem. However, it is likely that as many as 5 million people in this country are using cannabis for medical or recreational purposes—that is 8 per cent. of the population. If that is the case, and so many people are prepared to break the law, I ask Home Office Ministers whether that law is right.

Mrs. Lait: I now understand the hon. Gentleman's point about cannabis, but does he want to decriminalise heroin, cocaine and other, chemical drugs?

Dr. Iddon: I have already said that I am in favour of a step-by-step approach. I would first find out the results of the decriminalisation of cannabis. If—I stress the world "if"—that worked, I would be in favour of returning to the pre-1971 situation, in which heroin addicts did not have to go on to the street and rob people to pay for street heroin. That drug is often extremely dirty, so it is not the heroin that kills users who inject it but all the impurities that are dumped in it so that the profiteers can make more profit. If I clinically recognised a heroin addict, I would want him to go to a clinic for pure heroin, and to be persuaded, with the help of psychiatrists and other support mechanisms, to come off the drug.

The way in which this country deals with heroin addicts at the moment is crazy. They are sleeping on the streets at night all the way from here to Victoria station because no agency can deal with them. That is madness. So, I am in favour of a step-wise approach and I might even consider the legalisation of all drugs, because I do not believe that prohibition works.

Mrs. Gillan *rose—*

Dr. Iddon: I must finish my speech, because I have taken up far more time than I intended to do.

Drug misuse is a health issue with criminal consequences and should not be regarded foremost as a criminal issue with health consequences. I am very pleased that the Government have recognised that and are moving, as many of us have asked, in the direction of prevention and treatment rather than further and further enforcement, as the Tories appear to want. I am sceptical, but I am prepared to give the Government my support and to see what happens in the next few years. We must continue to debate this subject because it is of grave consequence to many of our citizens.

11.30 am

Dr. Vincent Cable (Twickenham): I echo the tributes that have been paid to those involved in the drugs strategy: Mr. Hellawell and his team and the drug action teams at the grassroots. Politically, I and my colleague endorse the unequivocal opposition of the Minister for the Cabinet Office, the Home Secretary and his team and the Leader of the Opposition to the decriminalisation of drugs. There is cross-party consensus on that, and I endorse it.

I agree with the hon. Member for Bolton, South-East (Dr. Iddon) that this debate must be conducted in a framework in which we are open to new arguments and new evidence. If there is new medical and criminological evidence, we should be receptive to it. I agree with him that one useful step would be a royal commission, because that would enable all new information to be considered openly. Since he has put very trenchantly—and, given public opinion, quite courageously—the case for decriminalisation, I should like to make some points back to him on why I think there is a strong consensus among all three parties against such a view.

First, there are the health arguments. I am not a medical doctor and I am not a chemist. The hon. Member for Congleton (Mrs. Winterton) summarised the evidence very well. Yesterday evening, I read through the summary of the literature that Professor Heather Ashton has assembled on cannabis, which is almost certainly the least offensive drug on health grounds. She makes the case that there is considerable evidence that cannabis, even as a relatively inoffensive drug, creates severe problems—it is carcinogenic, has a psychological impact and has serious respiratory effects.

Moreover, the evidence is hardening over time. That is partly because, as the hon. Lady said, the drugs that are now being used are more potent and medical research is finding more evidence. That is not surprising; we went through a similar process of discovery with tobacco, which 50 years ago was not seen as a particularly dangerous drug but is now much better understood.

Mr. Flynn: Does the hon. Gentleman agree that the evidence of the danger of cannabis is as a result of the fact that it is smoked? If it became a legal drug, particularly for people who are sick, it could be used in other ways such as in inhalers, as tabs or tinctures. Does he not see that as a great advantage which would greatly reduce the risk that people currently take when using cannabis?

Dr. Cable: The hon. Gentleman makes an important distinction, to which I shall return: the use of cannabis in a medical, as opposed to a recreational, context. There are separate arguments, to which I shall come. We may have to consider that issue more flexibly, although the health evidence seems to be powerful.

By far the most important argument in this debate is that it is very difficult to see how we can possibly decriminalise drugs without creating a significant increase in the number of users. The basic point is one of economic logic. If one stops the interdiction of supplies, supply in the market increases and the price goes down. Other things being equal, people will then tend to consume more. That simple proposition is supported by evidence. In places like Alaska, where there has been decriminalisation, that is precisely what has happened.

It is easy to be panicked by the argument that, since drug abuse is rampant, it is out of control. Everything is relative. We know from evidence that although many young people might use—particularly—cannabis once or twice, they are discouraged by legal sanctions from continuing to do so regularly. The penetration of the market—if that is the right phrase—is much less than in the case of drink and cigarettes, and it should be kept that way.

The third prohibitionist argument is that it has never been clearly explained how we could set up an alternative structure to realise the very tempting vision of the Treasury receiving all the revenue rather than the drug barons—by taxing drugs. How would that work? If the tax were fixed below the street price, there would be an incentive to consume more. It is more likely that the tax would be fixed at a higher level. Then there would be all the incentives for smuggling and adulteration that we see at the moment.

Those of us who are involved in the passage of the Finance Bill know what is happening with the enormous bulk smuggling of cigarettes. The problem of policing and criminality reappears in a different form. We all know of the great difficulties in policing under-age smoking and drinking—12-year-olds buy cigarettes. One is simply translating the criminal problem into a different sphere; it is not solved.

The hon. Member for Bolton, South–East mentioned that we are dealing with an international issue and an enormous international business, the turnover of which is roughly estimated to be equivalent to that of the oil industry. That is why we cannot have a strategy that is based on decriminalisation in one country. Once we start fragmenting national responses in individual countries, with maverick countries decriminalising their industry, we undermine any concerted Government action against the international trade.

Dr. Jack Cunningham: I intended to say in my speech that I apologise to the House for not being able to stay for the duration of the debate, as I would have wished. I must say how much I agree with what the hon. Gentleman is saying. There is no evidence that the countries bordering the Netherlands have been in any way convinced that they should follow suit on policy decisions. Nor is there any evidence that if Britain were to decriminalise one or more of the substances, it would have the slightest effect—for the reasons that he has given. No one believes that criminals involved in trafficking and trading will register as legal providers and start paying taxes to the Chancellor of the Exchequer.

Dr. Cable: I thank the Minister for his intervention; I entirely agree with him. Given the controversy, I am surprised that so many countries have held the line on policy. There has been some marginal legalisation in, for example, criminal penalties in Italy, but it has been relatively little, and we should not be taking the lead in that area.

I return to the point with which I started. Governments must be open to new arguments and persuasion, and that is why I support the idea of a royal commission. If there were overwhelming evidence from the police and the medical profession that we should change our stance, we should not be bound by dogma and we should listen.

[Dr. Cable]

Indeed, the hon. Member for Newport, West (Mr. Flynn) introduced the idea that there might be one area in which we need to look at the evidence much more flexibly: medical usage. I am not persuaded of it, although it is possible that policy might have to evolve.

I have a similar constituency case to that mentioned by the hon. Member for Bolton, South-East. My constituent was busted by information from a neighbour a few weeks ago. His flat was turned upside down, and he is now in court. As far as I understand the case from what he has told me, he was a law-abiding individual who did not want to become involved with drug pushers, but his wife has a serious medical condition and he thought it was necessary to her health to gain access to cannabis, so he grew it at home. That might be a fairy story, although the evidence that he presented is plausible. We all operate on the principle that good cases can make bad law. We need much more persuasion before changing things.

That it why it is important that the Government see through the medical trials, which I think have been authorised, and that we should see what happens. Even then, it does not automatically follow that if the evidence of the medical benefits of cannabis is compelling, it should be legalised. There are all kinds of other problems. We know from the use of opium by doctors that they expose themselves to attacks. It is difficult to separate the medical and non-medical legalisation practically. Several steps may have to be taken before that is to happen. Certainly, if the policy is to go in any direction, that is the direction that it would have to be.

Let me now take up some of the issues that have been mentioned in relation to the Government's strategy. I strongly support the principle that the Minister set out in his introductory remarks. He said that his strategy is geared to treatment, lays a strong emphasis on education at all levels, and involves a willingness to use Government money to save Government money. The idea of spending £1 to save £3 is compelling. As in many other areas of Government policy, such as education and health, the problem here is that, although many commitments are being made to public expenditure, people at the sharp end often do not see it. That is partly because many of the services on the front line, such as the Metropolitan police, are under severe pressure, and partly because the policy depends on grants from local authorities to voluntary organisations—the local authorities are under pressure and the grants do not get through. Thus although I welcome the commitment in general terms, we know from constituency experience that the money often does not appear where it is needed.

I have several other specific questions. The first relates to how we monitor the success of the strategy. As the Minister explained, there are genuine problems with time scales and statistics. We understand that. My only suggestion is that the Government publish price data. Police intelligence would make available information on the price of the main drugs on the street, which is a good indicator of the success of policy. Whether or not putting resources into catching cannabis peddlers is a good priority, it seems to have worked because cannabis prices have been rising. However, the price of heroin has halved in the past 10 years, which suggests that the policy is not working in respect of that drug. Price is probably a better indicator than much-sampled survey data on drug addicts.

Secondly, I should like to know a little more about drug treatment and testing orders. It has been suggested that the policy is not working, and one reason may be that very few orders appear to have been made—only 67 up to the end of May. Why have there been so few and why has that perfectly sensible idea not operated on a much more significant scale?

Thirdly, we all know that drug abuse is common in prisons and that many people are in prison because of drug problems. The Minister knows, because I have had an Adjournment debate with him on this subject, that I am concerned about the extent of drug abuse among young offenders. The Feltham institute in London, an old borstal, has an enormous prevalence of drug abuse among 15 and 16-year-olds, most of whom are there on remand. My worry about that centre—it must be true of many other prisons—is that despite good intentions, the drug rehabilitation programmes simply are not happening. Why is that, and when will we have a clear policy on it?

Fourthly, there is declaratory support for drug treatment centres on all sides, but I am told by the voluntary organisations working in this field that it is enormously difficult to get on to treatment programmes. The average waiting time for in-patient detoxification programmes is four months. People who depend heavily on drugs say that that could mean 120 crimes in that period because of their desperation. What is being done drastically to cut waiting times for those programmes?

My next question is about residential treatment. The evidence that I have seen suggests that that is enormously productive in helping drug addicts, but the availability of residential places has fallen by some 25 per cent. in the past six years. Why has that happened and what is being done to reverse it?

On financing, I accept that more resources are being put into this problem, which is welcome, but in London 80 per cent. of drugs-related crime takes place in the Metropolitan police area. The Metropolitan police are under severe pressure. How can we ensure that adequate resources are put into enforcement in areas where it is really needed? I saw the figures on using the receipts from confiscation. Although I welcome that policy, given that the trade is estimated to be worth some £10 billion a year in the UK, to seize £3 million from drug peddlers—that is 0.003 per cent., if my arithmetic is correct—is mere tokenism. Why is not more being done, much more energetically, to realise resources from those in the criminal fraternity?

I very much support the Government's strategy. All parties should support the current consensus on resisting de-criminalisation. We should be open to arguments, which is why I support the existence of a royal commission to look at evidence as and when it appears.

Mr. Deputy Speaker (Sir Alan Haselhurst): I call Mr. Paul Stinchcombe.

Mr. Flynn *rose—*

Mr. Deputy Speaker: Order. I am awfully sorry to have to say to the hon. Member for Newport, West (Mr. Flynn) that I called Mr. Paul Stinchcombe.

11.45 am

Mr. Paul Stinchcombe (Wellingborough): Thank you, Mr. Deputy Speaker, for giving me the opportunity to make just a small contribution to this morning's debate.

My constituency of Wellingborough is not inner city; it is leafy Northamptonshire. It has pockets of deprivation and problem estates, but essentially it is middle England. None the less, heroin is available at £5 a wrap; youngsters hold and hide hard drugs at the behest of older pushers; and young mums come to me for help when their three and four-year-olds pick up needles that junkies have discarded in their front gardens. Local policemen estimate that 80 per cent. of crime in the constituency is drugs related. I do not believe that a single part of this country—a single community, family, age group or individual—is immune from the wreckage that addiction to hard drugs brings.

Many points need to be made in this debate. I hope to concentrate on just one area, which has barely been mentioned thus far. It is the problem—and, indeed, the opportunity—that arises in respect of drugs in prison. I have already shown to what extent crime is drugs related. Between half and four fifths of all crime in this country is estimated to have an association with drug taking. For some, that association is direct and causal—addicts steal simply to fund their habit. For others, the link is more attenuated. In all cases, however, whether the relationship is causal or not, the intervention of the criminal justice process affords an opportunity to deal not just with crime but with drug abuse.

That opportunity is most obvious when people with a drug problem are in custody, not just because they are a captive audience but because they might just begin to question why they are in custody. They might be receptive to the idea that drug taking was part of the reason that they lost their liberty, and they might be receptive to help offered in that regard. Incarceration therefore offers a unique opportunity for us to step in and break a vicious and life-wrecking cycle of drugs and crime.

I am not alone in thinking that, and the idea is not new. As long ago as 1995 a document entitled "Drug Misuse in Prison" was published. In April 1998, a document on tackling drugs in prison was published as part of a so-called "new strategy". They are good documents, which signal a genuine commitment to act. Money has been made available, yet I fear that in implementing the strategies embraced by those documents we are continuing to make avoidable errors.

I do not, however, underestimate the difficulties. We can agree on the objectives. Any anti-drugs strategy for prisons and prisoners must endeavour to achieve three aims: to cut the supply of drugs into prisons; to develop appropriate regimes in prisons; and to ensure that prisoners' needs are met when they leave prison. We can agree on the aims; the trouble is that they are more easily agreed than achieved. Each of those aims raises difficult questions, some of which are hideously difficult. Let us take the first aim of cutting the supply of drugs to prisons.

We could cut the supply of drugs into prisons to an irreducible minimum, but to do so we would have to compel closed visits and intimate searches. By such compulsion, we could stop drugs being concealed—internally or in nappies—by the person visiting, stop drugs being transferred to the prisoner and stop them being secreted internally by the prisoner immediately afterwards.

The difficulty with that approach, however, is threefold. First, it would lead to hideous problems of management in prison. Secondly, it would breach fundamental human rights, not only of the prisoners but of the visitors who have committed no crime at all. Thirdly, and most important, it would threaten the family relationships of the person in custody, whereas we know that preserving those family relationships is the single best way of trying to prevent that person from going back to crime once he has left custody. So, difficult questions arise.

If difficult issues arise in stopping drugs getting into prison, even harder issues arise in developing anti-drugs regimes for people while they are in custody. Many aims must be embraced by an appropriate regime, but we can agree on those aims: to reduce the demand for drugs in prison; to assess the drug-related needs and health needs of prisoners while they are in prison; to develop programmes and wings in prison to meet those needs; to support those programmes with effective drug testing; and to use drug results, especially positive results, not only to penalise inmates but to trigger positive and useful intervention. However, although we can agree those aims, that is not enough—we have to work on the policies, which are difficult to formulate.

In assessing prisoners' health and drug-related needs, for example, what if we should decide to allow needle exchanges in prisons? We allow that to happen outside prison, but if we allowed it in prison, not only health issues but issues of whether we are condoning drug use—and even putting weapons into circulation—would arise. They are difficult issues on which reasonable people can disagree.

There are difficulties also with the issue of drug-free wings. Should we build such wings around incentives, offering a package of Sky television for those who want to go on the wings? If we do not offer such incentives, perhaps the approach will not work. If we do, we encourage people to go on drug-free wings even if they do not want to live in a drug-free environment. Given that we cannot stop drugs going into prison, perhaps, in taking that approach, we would be sowing the ruination of drug-free wings.

There are also difficulties with mandatory drug testing, which we know we need. However, when we have introduced mandatory drug-testing, we are told by every single prisoner that it has led to a switch from cannabis to heroin abuse—simply because cannabis stays in the bloodstream for 28 days, whereas opiates stay for only three days. That evidence may be anecdotal, but it is unanimous anecdotal evidence. It was also backed up by a recent answer to one of my parliamentary questions. It said that, in the past five years, cannabis finds in prison have declined by a half, whereas heroin finds have increased by 300 per cent.

If we discover difficult problems in achieving the first two aims, we shall likewise discover difficult problems in achieving the third—trying to secure an easy and proper transition to care for prisoners when they leave prison. How are we to achieve that when prisoners are moved from prison to prison so frequently that they often end up hundreds of miles from the community into which they will be released? One of the saddest facts of all is that, even when we do reduce inmates' drug dependency, we release them into their communities without aftercare and therefore put them at huge risk. The risk is not only that

[Mr. Paul Stinchcombe]

they will take up their habit again, but that because their tolerance to drugs is diminished, they will overdose and die.

There are horribly difficult problems, but that makes it all the more important to take the easy steps first—to do the simple things and to get them right. With the greatest possible respect to Ministers, I must say that I genuinely believe that we are failing to do that now and that we are making basic, avoidable and expensive errors.

I shall take the three aims in turn and give my hon. Friend the Minister a few simple examples. On cutting the supply of drugs into prison, we know that we cannot have compulsory closed visits. However, we can have centrally funded drugs dogs.

Dr. Iddon: Does my hon. Friend admit that drugs go into prisons not only by the front door, but via the back door?

Mr. Stinchcombe: Drugs go into prisons in many ways. Sometimes they are thrown over the fences—in crisp bags, for example—but they go in predominately via visits.

I have said that I do not believe that imposing closed visits is the answer. One thing that we could do, however, is use centrally funded drugs dogs, active and passive, in prisons. An answer to a parliamentary question that I tabled a week or so ago states that training and maintenance costs for a passive dog are £3,321, and for an active dog £3,000. The annual refresher is £1,000, and the average annual cost of keeping a dog is £2,088. Therefore, it is not hideously expensive.

The hon. Member for Congleton (Mrs. Winterton) tells us that we have to look for resources, but drugs dogs are not expensive. Yet 40 of our prisons in the prison estate do not have access to drugs dogs exclusively and full-time. That is absolutely ridiculous.

The second aim is to develop an appropriate regime in prison. We persist in a mandatory drug-testing programme built around expensive laboratory tests, targeting 5 per cent. of inmates each month. That means that we seek to test each inmate once every 20 months—once every 600 days. However, opiate traces disappear after three days. Therefore, the current regime is a completely useless endeavour if we are trying to discover the extent of drug use in prison. Those are not simply my words, but words that, just this week, were agreed by Sir David Ramsbotham in evidence to the Select Committee on Home Affairs.

Mrs. Ann Winterton: I commend the hon. Gentleman on what he is saying. Is he aware that it would be better practice if the whole prison population were tested at one go, and that that could be done quite easily with a urine test and litmus paper? Slightly dodgy tests could be subject to the more expensive test. Such testing would ensure that we knew the real state of drug abuse in the prison population. Currently, we have not the faintest idea of the real situation.

Mr. Stinchcombe: I agree with every single word of that. The laboratory test costs £70; the litmus paper test costs 50p. For each lab test, we could have 140 litmus paper tests. Currently, with laboratory tests, we can afford to test only once every 600 days, but with litmus paper tests we could afford to test every four or five days, thereby breaking into the three-day cycle of opiate detectability. It is an easy strategy to adopt.

What about cutting the demand for drugs in prison? The hon. Member for Beckenham (Mrs. Lait), who has now left the Chamber, said that, outside prison, drug taking is sometimes caused by people not having busy and fulfilled lives.

A couple of weeks ago, I visited Winson Green prison, where 70 per cent. of the inmates are locked up for 23 hours a day. There is no education, no work and no exercise—just a cell, every day, virtually all day. No wonder prisoners turn to drugs—not uppers, amphetamines or ecstasy, but heroin. They do so simply to get through the day. They do so because they are in a prison which was not designed to hold them long term. It was designed for remand prisoners.

We are holding prisoners inappropriately in the existing prison estate, and we are causing some of them to go on to drugs although they were drug-free when they were put in custody. We are making them into addicts when we should be intervening to stop them being addicts.

It will be difficult to solve that problem, but the first step is simple. We need a fundamental rethink of how we use the existing prison estate. It is a question not just of building more prisons but of looking at how we use our existing prisons. Prisoners must be kept in local prisons in their own communities; remand prisoners must be kept in remand prisons; in each area there must be opportunities for work and education available in prison; and we must have within each area consistent, high-quality, needs-based drugs counselling and detoxification. If we do that, we make it possible to have synchronised care and support once the prisoner leaves prison to go into his own community.

These are difficult questions, but there are simple answers to some of them. It is appalling that, even now, we are failing to come up with those answers and to take appropriate steps.

11.59 am

Mrs. Cheryl Gillan (Chesham and Amersham): The debate today is a small triumph for my hon. Friend the Member for Congleton (Mrs. Winterton), who has requested a debate on drugs on several occasions from the Dispatch Box. I am delighted that the Government, after two years in office, have finally taken the topic seriously enough to devote a morning to it. I believe that there should be an annual debate on drugs.

Mr. George Howarth: It was my suggestion that we have this debate—to which my right hon. Friend the Minister for the Cabinet Office agreed—and a proposed annual debate was part of a wider suggestion.

Mrs. Gillan: My hon. Friend the Member for Congleton requested this debate at business questions on a number of occasions, and I am delighted that the Government have responded. I hope that the Minister will confirm that the Government, while they are in office, will come forward with a proposal to hold a debate on this topic in Government time every year between now and the general election. That would be welcomed on both sides of the House.

Apart from the glaring differences between myself and some of my hon. Friends, and other hon. Members—for example, the hon. Member for Bolton, South-East (Dr. Iddon), who expressed his views quite bravely—there is a lot of common interest and shared hope in this House concerning drugs because of the enormity of the problem.

It bears repeating that about half of those under 25 in this country have used illegal drugs. At least half of all recorded crime in this country has a drug-related element. There are probably around 200,000 addicts in the United Kingdom, and the annual costs of the most serious drug misusers alone are well over £4 billion, which is an enormous drain on the economy of the UK.

The topic is complex, and we can see that it ranges from drugs in prisons to the international situation, from children to the amount of money that is spent on tackling the problem once an addict is on the books. It is true that there needs to be a vast amount of co-operation between politicians, police, parents, teachers, Customs and Excise and the armed forces. No Government have come up with the solution to the problem that they face, but we have a chance to air some new ideas.

The hon. Member for Wellingborough (Mr. Stinchcombe) proposed some useful suggestions in a well balanced and well-thought-out speech, and I hope that the Minister will consider them carefully.

For our young people, this is a most important problem. The last time I spoke on drugs in this House I was responding to an Adjournment debate initiated by the hon. Member for Nottingham, North (Mr. Allen) on the DARE project in Nottingham, which has been mentioned today. I am particularly keen on the DARE project, which educates youngsters between the ages of nine and 13 on the dangers of drugs. We need to get to our children long before they are in danger of taking drugs.

I am a smoker, but I stopped smoking in March. I look on myself as taking a rest from smoking—it will just be longer between cigarettes. I can tell the House how difficult it has been for me to stop smoking, but I cannot imagine how difficult it must be for a young person to give up drugs.

We must ensure that the Government spend a certain amount of their resources on educating people and getting to them before the drug dealers and marketers of this pernicious trade. I would always support the allocation of extra resources to that end. I asked the hon. Member for Nottingham, North about the DARE project last night and he said that it was still thriving in his area, but I would like to hear from the Minister what further resources the Government may put into the project and how it is spinning out around the country.

The drugs industry is a vast international industry and the statistics are frightening. It probably represents 8 per cent. of all international trade. It is comparable to the gas and oil industry. In an excellent article in *The Independent* on the world drugs trade, Diane Coyle, the economics editor, said that the drugs business is not only the third biggest economy in the world but could be starting to catch up with the United States as the leading player in the world economy. That should strike horror into all our hearts.

The United Kingdom has estimated that drugs cost us about £4 billion a year. That is 1.2 per cent. of gross domestic product, so if one multiplies that by all the economies in the world, one begins to think that drugs represent one of the most severe problems faced by Governments today. I hope that I do not exaggerate, but considering that drugs destroy families and communities and divert resources from other areas of need, major international action is needed. What have the Government done on the international stage?

Several hon. Members have highlighted harm reduction as an approach to the problem. The hon. Member for Bolton, South–East went even further; I believe that he favours the legalisation of all drugs, albeit in a step-by-step process. I disagree with him fundamentally. I believe that the philosophy of harm reduction has caused many problems, as evidenced by the half-baked experiment in Holland.

Mary Brett, who works at Dr. Challoner's grammar school in my constituency, has been at the forefront in the fight against drugs among our school children, and she provides me and other hon. Members with material from time to time, to keep us up to speed with the views on drugs. She has been especially worried about harm reduction theories and the way in which people's attitude to drugs is starting to soften. Holland is often cited as a great example of that.

The effect of the Holland experiment is not confined to that country but extends to the rest of Europe and throughout the world. Customs officers in the United Kingdom, France and Belgium who said that Holland had become the drugs capital of western Europe are absolutely right. Customs and Excise in the United Kingdom estimated that 80 per cent. of the heroin seized in the United Kingdom either passed through or was temporarily warehoused in Holland.

The Paris police estimate that 80 per cent. of the heroin consumed in the French capital comes from Holland. According to French customs officials, there is an explosion of drugs coming into France from the Netherlands.

Mr. Brian White (Milton Keynes, North-East): Will the hon. Lady tell the House how much of that traffic through Holland is the result of the pre-eminence of Rotterdam as a major port?

Mrs. Gillan: I do not have those statistics to hand, but I would be willing to discuss them with the hon. Gentleman. Once I have looked at the source material, I shall provide him with it. I shall not give him statistics off the top of my head when I do not have the material to back them up, but I am using material from accredited sources, such as Customs and Excise.

The article that appeared in *Foreign Affairs*, volume 78, No. 3, written by Larry Collins, is recommended reading for the hon. Gentleman. It records the remarkable candour of the Amsterdam police commissioner, Jelle Kuiper, who said:

"As long as our political class tries to pretend that soft drugs do not create dependence, we are going to go on being confronted daily with problems that officially do not exist. We are aware of an enormous number of young people strongly dependent on soft drugs, with all the consequences that has."

Mr. Flynn: Will the hon. Lady explain why every political party in Holland, including the Christian Democrats, the liberals and the socialists, are in favour of continuing with the drugs policy?

Mrs. Gillan: No; I am not a member of any of those parties, so I cannot explain to the hon. Gentleman—but I can give him another international example of somewhere that changed its mind.

In 1975, Alaska decriminalised the use of cannabis at home and in other private places. In support of decriminalisation, it was argued that use would not increase, that cannabis was not a gateway drug, and that crime would decrease, because cannabis was a "peacemaker" drug. The latter argument persuaded the police to back decriminalisation.

In 1989, the United States national survey of high school seniors found that the use of marijuana in the past month had been 17 per cent. nationally, but 45 per cent. in Alaska. Between 1988 and 1990, an enormous number of Alaskans were committed to state-funded treatment programmes, with marijuana and hashish as their prime substances of abuse. Trafficking increased too, and the heavy increase in health and social costs, as well as the increase in the use of other drugs and the escalation of crime, led to a referendum in 1990 which, with police support, rescinded the law. That is a matter of fact, which graphically explains how an experiment in legalising cannabis proved disastrous.

I am worried that the Government seem to be taking us down the road of closer and closer harmonisation with Europe. I would like the Minister, when he replies to the debate, to assure the House that he has no intention of harmonising this country with Holland in that respect, and that there is no danger of cannabis coffee shops appearing on our streets. I want a firm assurance that integration with Europe will stop at that point, if nowhere else.

My hon. Friends the Members for Congleton and for Beckenham (Mrs. Lait) both mentioned Customs and Excise. In the international fight against the drug traffickers, Customs and Excise are in the front line. I meant the Minister to take seriously what I said in my earlier intervention—he must give an assurance to the House that there will be no cuts in Customs and Excise.

Customs and Excise staff work in difficult conditions, and their international co-operation and intelligence services are extremely valuable. Indeed, their intelligence operation is looked up to throughout the world. It has good results, and its annual report for 1997–98 gives an overview of its performance on drug trafficking and how it has achieved its targets, whether in preventing the importation of drugs or dismantling smuggling operations. The amounts realised against confiscation orders far exceeded the targets that had been set. All the targets were achieved or exceeded, bar one. I hope that the Minister will reconsider those targets and increase them, and also increase the resources for achieving them.

My hon. Friend the Member for Beckenham mentioned crop substitution. Some years ago, I visited a company in Penn in my constituency in Buckinghamshire called Agropharm. It produces insecticides from chrysanthemums which are used as insect repellents and in the formulation of human head and body lice shampoos and lotions. Pyrethrins are natural products and the company emphasises the use of organic products. The insecticide is used on large gatherings of people who may be at risk from disease and, as a naturally occurring compound, it causes no problems. It is an ideal substitute for organophosphate compounds, which have been widely criticised and are in the news again this week.

The chrysanthemum can grow in similar conditions to the poppy plant. We know that one of the problems in drying up the drugs trade is the amount of income that is derived from the sale of the poppies by poor families in remote areas. How much research and resources are put into examining the possibility of crop substitution? Agropharm has experienced shortages of the raw material it needs to fill its orders and has to buy chrysanthemums from abroad, but I suspect that few, if any, resources are put into crop substitution. Will the Minister undertake to devote resources to crop substitution and does he agree that crop substitution has a role to play in the war against drugs?

Dr. Iddon: One of the main drugs in use in clinical practice is morphine, especially for terminal patients. It is a complex molecule that is too difficult to synthesise. Unfortunately, it comes from the opium poppy. Has the hon. Lady considered that point? I spent 12 years on research into non-addictive analgesic drugs as replacements for morphine. That is the difficulty with eradicating the opium poppy.

Mrs. Gillan: I know that the hon. Gentleman is a distinguished chemist, and I take his point. The poppy can be grown for medical purposes, but the quantities grown at the moment far exceed that required. Therefore, it is not unreasonable to examine the possibilities of crop substitution to help those families who are tied to the drugs barons in south America, for example. I hope that the hon. Gentleman will accept that I do not advocate the total destruction of the poppy and that I acknowledge the benefits that come from its derivatives. However, I want the option of crop substitution to be examined seriously, especially by the Government, given the worldwide shortage a couple of years ago of the raw material needed by Agropharm.

Politicians should not always be at each others' throats. There is a convention in the House that all parties support the Government of the day when there is a war. The war against drugs is very much that—a war. Despite personal differences of opinion about the best way to conduct it, it is right that there should be a concerted effort across the House, engaged in by successive Governments and Oppositions, to tackle the problem. I hope that the Minister will continue that effort.

12.21 pm

Mr. Paul Flynn (Newport, West): The most dangerous killer drug in Britain is tobacco, and the drug that involves more people in crime—and especially in crimes of violence—than any other is alcohol. Our children and grandchildren are 100 times more likely to die from the use of legal drugs than from illegal drugs, and they are 10 times more likely to die from the use of medicinal drugs than from illegal drugs. Paracetamol kills three times as many people as heroin. The worst examples of drug abuse in Britain are in care homes for the elderly, where neuroleptic drugs are vastly overused. There are many terrible examples of drug abuse, but this morning's debate concentrates only on illegal drugs.

Are the illegal drugs the most addictive and dangerous of all? They are nothing of the sort. Some are far less addictive and dangerous than others that are generally available. We concentrate on the illegal drugs for one reason—prohibition, from which derive all the dangers, the crimes and the profits associated with drugs.

One optimistic development took place yesterday, when the 100th Member of Parliament signed early-day motion 651 asking for the legalisation of cannabis for medicinal use. That is an enormous leap forward: six years ago, only 13 hon. Members signed an almost identical motion. The debate is developing, and this is by the far the best discussion of the matter in the House since 1987. The Government appear to have decided that cannabis will be allowed to be used for medicinal purposes, a proposal supported by the hon. Member for Twickenham (Dr. Cable). It is not a question of if, but of when. I think that that is quite right.

Speaking as a chemist, I do not want to wait for five or 10 years or however long it takes before it is determined which ingredient in cannabis is beneficial. Such a result might not be confirmed in my lifetime, but natural cannabis has been used and trialled for 3,000 years and by tens of millions of people. Any serious side effects would have been discovered centuries ago.

People who suffer the spasms of multiple sclerosis find relief only in the use of medicinal cannabis. The same is true for people suffering the awful side effects of chemotherapy. They feel nausea for days, and it is so debilitating that they no longer want to live. Many of the chemical drugs that they take mimic the effects of secondary cancer. A House of Lords Committee has recommended that cannabis should be treated in the same way that morphine and heroin are treated—that it should be allowed to be prescribed under certain conditions.

Carol Howard came to the House to make hon. Members aware of the plight of her daughter who, at the age of 28, was dying of cancer and who wanted to communicate with her mother in the precious few days that were left to her. The chemical drugs that alleviated the effects of chemotherapy had left her in a confused state and she could not communicate. Using cannabis, however, she was lucid. Her mother told me that she got cannabis on the streets for her daughter. Which of us would not have done the same for a loved one? Yet, constantly, Governments refuse to act.

A Bill will come before the House on 23 July. It makes no great change to the law. It could be enacted overnight, providing what the House of Lords Committee asked for.

Mrs. Ann Winterton: The hon. Gentleman makes his case with great passion, but will he comment on the scientific evidence? In 1992, the National Institute for Neurological Disorders reported that no scientific studies had shown marijuana to have had beneficial effects on multiple sclerosis patients. In 1994, research by Greenberg et al. concluded that

"marijuana smoking impairs coordination and balance in patients with spastic MS."

In addition, a National Cancer Institute report stated that newer anti-emetic drugs, such as Ondansetron, had been shown to be more useful than THC as a first-line therapy. Does the hon. Gentleman agree that scientific experiments have not proven his case? If they had, the Government would have listened.

Mr. Flynn: I can give examples going back to the people who built the pyramids, who recorded in their hieroglyphics that they used cannabis for eye problems. They did not know what it did, and nor did we until about 20 years ago, when we discovered its effect on pressure on the inner eye. The hon. Lady offered three examples, but I could give her 100. Better still, I invite her to meet a group of people who came to the House a while ago. Most of them were in wheelchairs. Some said that they could not have a night's sleep without cannabis. One person had an aching arm for which everything had been tried, and nothing eased the pain but cannabis.

Is the hon. Lady simply saying to those people, "Sorry, we have rules and regulations and you must wait until scientists come out of their labs in five, 10 or 20 years from now"? Is she telling them that in the meantime, they must carry on suffering? Are we telling those people that we will put them in prison? Two such people are in fact in prison for cannabis use.

The hon. Lady mentioned smoking, and that raises another problem. People who are suffering must buy their cannabis on the criminal market. They do not know how pure it is. They do not know whether it is contaminated. They do not know its strength. They must also use it in the most dangerous way possible—by smoking it. If cannabis were legalised, it could be taken in perfectly safe forms—a tincture, a patch or an inhaler.

My cause is a humanitarian one. Tens of thousands of people suffer. In addition to the pain of their illnesses, they must suffer the constant anxiety of knowing that they might go to prison for using their medicine of choice. I appeal to the Government to change their mind and to allow the private Member's Bill to pass on 23 July.

I have a scientific background, and I am interested in all drugs. I have spoken many times about medicinal drugs and others. Our society is obsessed with drugs, and future generations will judge us for it. We believe in the myth that every moment of boredom, grief or pain can be solved by resort to a drug. We do ourselves great harm by that belief. I have never used an illegal drug, and I never will. I have not used a medicinal drug in 25 years. I am very much opposed to the use of drugs.

The major problem is prohibition. There is a shared feeling in the House that we do not face up to the issues. With one exception, I am the only Member who has spoken in every drugs debate since 1987, and I have heard the same themes from both sides of the House. I have heard complacency. I have heard expressions of shock. I have heard: "Isn't it terrible, and we don't know what to do." In 1989, the then Minister of State announced 40 new schemes. We are full of schemes. He said that his policy was a striking success and, to our shame, the then Opposition congratulated the Government, giving them an alpha plus for their work. It is quite amazing that the Minister of State said:

"We can take some comfort . . . from the fact that heroin has moved towards its peak".—[*Official Report*, 8 December 1989; Vol. 163, c. 593.]

We were all back here again in 1993, when a new Minister of State announced 200 new anti-drug projects in London alone, which the Government would evaluate

[Mr. Flynn]

with careful research. In 1995, the Minister of State said that education policies were working and effective, as were publicity campaigns. He said that they would have a real effect on young people and that the central drugs co-ordination unit had performed massively successful work. After the 1989 debate, drug use and drug deaths increased, as they did after 1993 and 1995 debates.

We were here discussing this subject again in 1996—not long ago—when we heard about a strategy for substantially different benchmarks to assess programmes. It was said that there had been excellent work with all concerned, especially all the politicians, and the Opposition agreed. The previous year, we had had something new: drug action teams with drug action plans. It was said that the solution was in our hands.

That is what has happened every year since I have been in this place and hanging over this House, like a great accusation, is the fact that in every one of those years more people have died and more lives been ruined through drugs. Why? We conveniently say that it is the wicked drug traffickers and those who grow drugs in far-away countries who are responsible. We must look to ourselves and ask what is our responsibility.

Why has the debate bypassed this place as far as those on the Government and Opposition Front Benches are concerned, when it has even got as far as the editorial in the *Daily Mail*, which has said that the Government's policies are mere "empty window dressing" and that it is time for us to take the risk of considering decriminalisation? We are neglecting our job here as Members of Parliament to find new policies.

I do not want to be rude to the hon. Member for Congleton (Mrs. Winterton), who is speaking for the Opposition. Clearly, she is at the embryonic stage in developing her views on the subject if she takes her feed from the internet. However, I will have to withdraw my invitation to go to Amsterdam with her. I said that I would never take an illegal substance, but her Mary Poppins approach might well drive me to it if I had to spend a few days with her. She should have a long conversation with the hon. Member for Rutland and Melton (Mr. Duncan), who has said that he wants to pursue the policies suggested by my hon. Friend the hon. Member for Bootle (Mr. Benton). There are Conservative Members who are willing to think anew on this subject.

Many matters have been mentioned in the debate. I have the great joy of serving in the Council of Europe. I am a member of its committee to deal with drugs and I am in regular contact with people from all the countries, in particular Holland, Switzerland, Italy and Germany, where all those changes have taken place.

Those on both Front Benches should go to Holland. I beg them not to read the propaganda on the internet and what the American drugs tsar has said, but to consider the experience of the group that was sent to Holland by Fulcrum Television. It was the equivalent of a citizens' commission—a television commission. It comprised eight people—a broad section of society—who went to Holland without any vested views either way. In fact, the majority of them were against decriminalisation when they started. They investigated and went to jails. They met people from a cross-section of society, met the police and read the literature thoroughly. They interviewed Members of Parliament, both for and against. It was a thorough three-month investigation.

The group spoke to the Christian Democrat mayor of Amsterdam and gave him a list of the things that this Government have said about Holland—they are exactly the same as the untruths told by the previous Government. That conservative mayor of Amsterdam said that every one of those claims was nonsense.

In Holland, the two markets have been separated. The great achievement of the Netherlands is that the use of heroin has been reduced, and for good reason. The Dutch did that by de-glamorising cannabis, which is the first stage—people talk a great deal about the step from one drug to another. In this country, we know that cannabis has a great attraction. The figures show that the majority of young people have used it. In Holland, use is down to about 3 per cent. and the reason is that it is boring and unglamourous. Where is the thrill in going to a café with one's grandmother and using cannabis? There is no fun in that.

Fun is part of the attraction of cannabis for the young. I have more up-to-date figures from the Dutch embassy than those of my hon. Friend the Member for Bolton, South-East (Dr. Iddon)—I am not being party political. In 1980, the average age of heroin users in Holland was 28; it is now 44. It will become a geriatric problem; young people are not moving towards heroin, so the total number is going down. If the hon. Member for Congleton does visit Amsterdam, I suggest that she goes to a needle exchange in the Nieumarket—a marvellous place where they dealt with 500,000 needle exchanges five years ago. The number has gone down to a third of that figure, because the use of heroin has gone down. I suggest that the hon. Lady sees for herself what is happening in Holland, instead of believing the propaganda.

We have heard a great deal about education. I appeal to anyone to show me any drug education policy that resulted in decreased drug use. There was a celebrated programme in Wales called Smokebusters; it was a highly intelligent, cleverly designed programme to persuade young people not to take up cigarettes. It went on for four years. During that time, the largest increase in young women smoking occurred in Wales. It was larger than anywhere else in Europe—more than 50 per cent.—and it coincided with that campaign.

A further example of the futility of drug education programmes is shown by what happened in America in the 1950s. They decided that there were drug problems in the great cities, so what did they do? They sent out teams to the plains to tell people not to do drugs. The teams were made up of young people—young hippies—who had been through everything; they had been through drugs and had had a terrible time. They were attractive role models who went out with their guitars to talk to adolescents; they said, "You mustn't do drugs because they're wicked—yeah! You mustn't do drugs because they're dangerous." That is exactly what young people want. They all know that they are immortal—they are going to live for ever. Being young is about risk taking. As those drug education teams moved from town to town, hard and soft drug use followed them as surely as night follows day. That was the US experience.

In this country, we have made a great fuss about Operation Charlie. I thought that it would be a wonderful scheme because so much emphasis was placed on it;

it was an entirely British scheme that would prove that drug education worked. Even after a series of parliamentary questions, it was difficult to find out exactly what the operation was. Would it be for 25 years and involve teaching tens of thousands of children, beginning when they were young, so that when they became adults they would not use drugs? No, no; it involved 44 children. They were given a lesson of one hour a week for 38 weeks a year—not even for all 52 weeks. Four years later, that group was compared with one that had had no lessons; there was only a slight difference in their opinions. It will be another 20 years before we know whether that programme was any good. "Charlie" means chemical abuse resolution lies in education; that title shows that the result of the research was decided before the research began.

In the House, we suffer from the shared myth that prohibition works and that it reduces drug use. All the evidence shows the opposite. In America, the prohibition of alcohol produced—among other things—a crime empire. Furthermore, it meant that the alcohol on sale was the most damaging form; people were drinking distilled spirits. It is the same with all the illegal drugs in this country at present; we are using all the most dangerous forms, with the additional problems that they are adulterated and sold in an uncontrolled market.

We can do something about that. Earlier, the Minister for the Cabinet Office asked whether people really believed that the market could be collapsed. That is the only way to solve the problem. The only way to reduce drug harm and to reduce the market for drugs is to collapse the black, illegal market. How do we do that? We replace it with a regulated, licensed, policed and controlled market. The harm will not go away overnight—of course not—but at least there will be some controls. If the illegal market sells a drug to a child or a schizophrenic, it is the same offence as selling the drug to a well-balanced 50-year-old. If we had a legal market like the one in Holland, people who sold hard drugs along with soft drugs would be closed down, as would those who sold drugs to minors.

A legal market offers a way of controlling supply. Overnight, we could effect change on an army of young people. People speak contemptuously of drug dealers, as though there were only a few of them, but there are hundreds of thousands of young people who are part of the pyramid—kids selling drugs to school friends, older children selling them to other children. Overnight, we could change those young people who are drug dealers, many of whom are on benefits and are registered as unemployed. We could change them from being criminals and scroungers to being business men—surely the Opposition can understand that. We could have our drugs in order and we could say which are the most dangerous to society.

Sometimes I feel like addressing my colleagues here, with some justification, as right hon. and hon. drug users, because there is a strong note of hypocrisy in our utterances on this subject. In this place, with all its bars, it is common to see Members from both sides of the House with a glass of whisky in one hand, a cigarette in the other and a packet of paracetamol in their top pocket, denouncing young people for using drugs. Since I came here, the majority of the premature deaths among Members of Parliament have been drug related: those drugs are alcohol, tobacco and, in one case, medicinal drugs. We cannot tell young people that their drugs of choice are necessarily harmful or the worst possible.

We have a debate such as this every year and there is a fair degree of cross-party consensus, but we are moving away from public opinion. The public know that almost nothing that we have done has worked and that nothing that we will do in the next two years will work. To have a 10-year programme is to evade responsibility and to escape any sort of scrutiny, because in 10 years time, the drugs tsar will have retired and my right hon. Friend the Prime Minister will be Lord Sedgefield. By the end of this Parliament, the Government will be in the same position as every other Government for the past 30 years: when they leave office, there will be a greater degree of drug use and a greater number of drug deaths than when they entered office.

The change must be made here—we have to face up to our responsibility. Now, we are saying that we will not consider any alternative; we will not consider decriminalisation, even though it has worked elsewhere; nor will we consider the example of Switzerland, where crime related to the use of injectable heroin has been cut. We will not go outside this place and look at what other people have done; instead, we will carry on in the way we always have done, because it is comfortable. If we continue on that path, in 10 years time, there will have been at least 1,000 deaths among young people that might have been avoided.

When we see young people's lives ruined, we say that we will carry out a few more reviews and introduce a few more schemes. When we see families broken up in a terrible way, we put off decisions for years spent finding out whether this approach or that one works. When we see the ruin of a whole generation of young people, our answer is to promise that we will consider the problem a long time from now. We are failing in our duty and, if avoidable deaths occur, the responsibility must be shared among us. The responsibility for not facing up to alternatives rests firmly on this House. If more drug deaths occur and drug addiction spreads, the responsibility will, rightly, be laid on our shoulders by people outside this House.

I have been saying this since 1987. I have been true and right in every one of the years since then. The Government and the Opposition have been wrong.

12.44 pm

Mr. Oliver Letwin (West Dorset): I am grateful to the hon. Member for Newport, West (Mr. Flynn) because he has brought my comments into starker relief than might otherwise have been the case. The whole debate has been extremely interesting and I have learned a great deal, for example, from the hon. Member for Wellingborough (Mr. Stinchcombe) who spoke about prisons.

There has been a common theme, evident even in the speech of the hon. Member for Newport, West, that everybody seems to disapprove of drug use. The hon. Gentleman and those who agree with him say that the best way to get rid of drug use is to decriminalise it, whereas others say that the best way is to keep it criminal and take some measures.

This is a most interesting phenomenon. Everybody disagrees about one level of the question but agrees about another level. I do not think that that represents the state

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of mind of either the House or the country. I think that we face a much more fundamental question: do we disapprove of drug use? The House must wrestle honestly with that question and, until we do so, we will not be able to decide the second question.

I do not accept the arguments advanced by the hon. Member for Newport, West and other hon. Members that decriminalisation is likely to lead to less drug use. None of us have any way of telling that. As the hon. Member for Twickenham (Dr. Cable) pointed out, the laws of economics suggest that if the price falls, demand will increase. The evidence on the use of the drugs that the hon. Member for Newport, West fears most—tobacco and alcohol—is that because they are decriminalised, they are widely used.

I admit that they are not robust arguments, but my instinct—which I suspect is shared by most of the country and of the House—is that if illegal drugs are decriminalised, their use will, on the whole, tend to increase rather than decrease. That is certainly the view of those concerned most closely with the problem such as the drug advisory service and the police, many of whom are very sympathetic to drug users, but not drug pushers, in my constituency.

We should accept that as a hypothesis. We must then ask the really hard question. Many of us disapprove of substances when they are used to excess. Some people—I do not count myself among them but they certainly include the Secretary of State for Health and his primary Ministers—disapprove violently of drugs, such as tobacco, when they are used at all. Why do we not criminalise those drugs and criminalise the drugs that are currently illegal? Can we defend that position?

I pose that question partly to myself but also to my hon. Friends and to Labour Members who consider themselves to be proponents of liberty. How do we feel competent—as a House and a Parliament—and how did our predecessors feel competent to prohibit the use of such substances when no one suggests that their use amounts to an imposition by one upon another? It is not like driving a car and knocking someone down; it is not like murder or like theft. If I take drugs, I may harm myself but I do not directly harm another. I am referring not to drug pushing—that is another matter—but to using. It is self-harm. I may destroy my life, but how do we feel competent to decide that we should pass laws to prevent people from harming themselves? Should we not also pass a suite of laws to prevent people from harming themselves in other ways?

Dr. Iddon: Bungee jumping?

Mr. Letwin: Indeed. Arguments of that variety could be advanced.

I have wrestled with this question for the better part of the past couple of decades since I started thinking about it in a juvenile way as an undergraduate. I have always wondered why this is so. Being rather pusillanimous about it and not being inclined to destroy my life in this particular way—although I do so in other ways—the question has never been at the top of my intellectual agenda. However, I have always worried about whether there was a proper justification for preventing the use of some drugs.

I have come slowly—and perhaps wrongly—to the conclusion that there is a justification. I think it is worth exposing that reasoning briefly—in three or four minutes—not least because I will be interested to hear, in this and in subsequent debates, whether others share my view. Unless we have a robust justification, I am sure that we should not criminalise these activities. We should start from the point that, prima facie, activities that do not harm others should be allowed and we should ban them only if we have a robust justification for so doing.

Dr. Cable: Does the hon. Gentleman agree that the House has grappled in the past with this problem with less difficulty than he is experiencing? For example, it has long been agreed that we should require individuals to protect themselves by wearing seat belts because that is in the best interests of their families and of our socially available health system.

Mr. Letwin: I am grateful to the hon. Gentleman for making that point, because I am a profound opponent of the law on seat belts and, for reasons that I shall expose in a moment, that is entirely consistent with my views on drugs. The hon. Gentleman raises the question in exactly the form in which it first presented itself to me. I was an undergraduate when the noxious law on seat belts was passed. I knew that I hated it, and I still do. I wear a seat belt, even in the back seat, and I did so before it was law. I wear a crash helmet when I cycle, but I have always thought that a law requiring cyclists to wear crash helmets would be noxious.

I am absolutely clear that the prima facie case is that things should be allowed if they do not harm other people. I wholly reject the argument that things should be banned if they cause a cost to the national health service. If we accept that argument, tyranny beckons. Instead, measures should be taken to ensure that people who choose to act in certain ways have to pay a higher insurance premium or so on.

I utterly reject the argument for banning things. How, then, can I possibly defend the laws on drug use? The question is clearest if we consider the contrast between drugs that are illegal and drink. There is no doubt that drink is the most difficult case. One can drink to excess and, in doing so, one threatens society in many respects. I am not referring only to drinking and driving—that is a special case. Yet we permit drink, but we do not permit drugs. That is the most acute form of the question, "How do we justify allowing people to drink?"

If we are to justify it, we must start with a concept of the kind of society in which we want to live. We must be willing to argue—it is not easy to do so—that we want to live in a society in which people are able to engage in civilised conversation with one another and to engage in specifically human activities. I refer to cultural activities of a kind that animals cannot engage in and that cannot be engaged in by people who are in a state that prevents them from exercising their minds, as we are able to do in this House. In other words, we must have a concept of a human existence that is beyond merely existing.

Mr. Flight: Beyond the animalistic.

Mr. Letwin: As my hon. Friend says, beyond the animalistic.

To my mind there is no doubt that a person in a state of extreme drunkenness and a person in a state engendered by probably all the drugs that are illegal are not in full possession of their faculties. To justify the desire to eliminate drugs, one must have, first, the concept of a person in full possession of his faculties and, secondly, a doctrine that we want to live in a society in which other people are in full possession of their faculties. That is a kind of imposition or tyranny. I espouse, as one must be willing to do if one wants to justify the elimination of drugs, a doctrine that says it is not enough to let people lead their lives as they like because we want a society in which people have to lead their lives in such a way that we are enable to engage in a continuous, civilised conversation with them when they are in full possession of their faculties.

That means that there is a difference between drink and illegal drugs. When people have a bit to drink, which is mostly what they do, they are in full possession of their faculties. Ultimately, we must draw the distinction between substances whose very purpose is to make people, effectively, drunk, and those which, if occasionally abused, make people drunk. We must, therefore, have not only a concept of a society that consists of people in full possession of their faculties, but a concept of substances that are designed precisely to produce the opposite result. Without those two premises, we cannot justify to ourselves the continuation of the illegality of those substances.

The question is whether we have the confidence to make those assertions. I have that confidence, but I am not sure that the rest of society does. If we do, we can continue to ban those drugs. If we cease to ban them, they will become more prevalent, and we should accept that result if we are to accept a doctrine of pure Millian liberalism, but we should not accept it if we are willing to espouse, as I am, the doctrine that society consists of more than atomistic individuals, wandering around being allowed to lead their lives at whatever level they choose. We must have that cultural self-confidence if we are to espouse that argument. My distress is that on both sides of the House—this is not a party-political point—and more widely among political commentators, there has not been a willingness to make that argument.

So, the debate goes on in surreal terms. One side says that in order to keep substances from spreading, they must remain illegal, while the other side says that the spread can be stopped by decriminalisation. I do not believe the argument or that the proponents believe it. Underneath it, those who want to maintain illegality fear to say that they have a reason for doing so, because they are not sure that others will believe it, while those who want to decriminalise do not really believe that that will stop the spread—they really believe that there is nothing wrong—but are afraid to say so because they are also not sure whether others will agree. We must get out in the open whether, as a society, we have the confidence to try to stop these things that diminish our humanity. From that, much else about the rest of our social policy will flow.

12.56 pm

Mr. Jon Trickett (Hemsworth): The majority of people in my constituency do not have to go through the philosophical agonising of the hon. Member for West Dorset (Mr. Letwin) to decide that drug taking is a nefarious activity that destroys the social fabric that binds our common humanity. Nor does one philosophically need to be a socialist who believes in individual liberty, such as myself, to follow the kind of libertarian arguments that have just been deployed. What I, most people in Hemsworth and—I think—most British people believe is that Government action in entering human affairs to prevent activities that are plainly evil and destructive of social fabric, as much drug taking manifestly is, can be benign.

I want to give a voice to the concerns of many of my constituents who are facing a rising tide—almost a cancer—of drug taking, as are many communities in former coalfield areas. If one believes, as I do, that Government action can be benign and that it can try to remedy social evils such as drug taking, it is right that the Government should take such action. I think that the Government have it broadly right.

The strategy that the Government have described, about which we have heard today, talks of an integrated approach across all Government and non-governmental agencies. It talks of targeting, by which we can measure the achievement or non-achievement of our objectives for reducing drug taking. It identifies the multiplicity of factors that lead to the rising menace of drug taking in our communities. Above all, it commits additional resources. I know that people in my area will very much welcome the Government's announcement that they intend to spend an additional £217 million over three years on combating the drugs menace. There will be particular pleasure in learning that we intend to use resources recycled from convicted drug dealers. That is an especially welcome announcement.

The scale of drug taking, as every hon. Member has said, is growing exponentially. The Department of Health and Government agencies have produced a range of different measures of the increase. Some further work needs to be done, but, whatever index one uses, one will discover that over the past five years or so there has been an estimated 40 per cent. to 70 per cent. increase in, for example, heroin addiction—30,000 new agency episodes between 1993 and 1998.

In Wakefield, the district within which my constituency lies, only 52 people were referred with heroin problems in 1993-94. By 1997-98, 1,800 people—a huge increase—had been referred due to heroin problems.

In WF9—a postal district of Wakefield that forms only part of my constituency—an agency called Dashline is helping people with heroin problems. Some 2,000 needles are issued every month to people with heroin problems in four or five villages in my constituency. In 1997–98—a single year—226 people in WF9 sought help for heroin problems; 75 per cent. of them were unemployed.

It is well known that a rising tide of criminality is associated with drug taking in all areas. I suppose that my area of Hemsworth reflects the general position. A recent Government study of 1,000 drug users demonstrated that in a three-month period those 1,000 people were responsible for 70,000 criminal offences—a staggering figure. Heroin addiction costs some £200 a week, and the crime that is committed to pay for that dependency costs some £1.5 billion.

A small-time drug pusher in a town in my area told me what happened when the drug mafia arrived in the town. He said that a quartermaster was put into the town to act as a drugs wholesaler and then a retail operation was set

[Mr. Jon Trickett]

up on each estate and in every street in the town, which has a population of some 8,000 people. A separate arm of the same organisation was then formed to collect the money owed by the unfortunate people who had developed a drug dependency. A further arm consisted of two individuals whom I can only describe as pathological murderers. They were two brothers who came into the town as enforcers. Thus there was a quartermaster, a distribution network, a collection network and two payment enforcers. Violence was used regularly by the two enforcers, and I am aware of at least three deaths that were the direct result of activities by drug gangs in my area in the three years in which I have represented the constituency.

This is a pestilential problem for our community. It requires both national and local action, and I am pleased that the Government have announced a strategy. I know Keith Hellawell very well. He was the chief constable in West Yorkshire, which I have represented for many years and where I have lived all my life. I have no doubt that he will bring energy, passion, determination and intelligence to the business of tackling this problem.

Three initiatives would help to tackle the problem. First and foremost, the villages and towns that I and many other hon. Members represent need jobs, economic development and regeneration. The Government are modernising the country and bringing about economic regeneration, but it is not inevitable that that will touch the villages and towns in the coalfield areas. We need Government action to do that and I commend to the House, as many others have previously, the coalfield task force report and the new deal.

Regeneration and jobs alone will not necessarily resolve the problem. When a local business person saw four young lads selling drugs at the corner of the street, he felt ashamed that people in his village were selling drugs so he went up to them and said, "Look lads, I'll give you all jobs." They said, "Well, how much will you pay us then?" He said that he would start them on £100 a week and see whether, after three months, they were any good. They replied that they would not take a job for £100 a week because they could make that in a night selling drugs. Therefore, regeneration plays an important role in giving hope to communities where there has been only despair—but it is not enough. People need real jobs that give them careers, prospects and self-respect.

Secondly, drug action teams have been established and are doing a good job, especially the Wakefield drug action team. Some teams are also piloting drug courts, which have also been successful. Magistrates and many other people involved in the pilot are working very hard, with remedial programmes, to help those who have been convicted of using or selling drugs. Although I do not have time to talk in great detail about the drug courts' work, other hon. Members may want to see how the pilot is working in Wakefield. I commend the pilot, which I think will provide a model for the rest of the United Kingdom.

The Wakefield drug action team is also building partnerships with educators and others. That work, too, is commendable.

Thirdly, our drug action team has ensured that it has a community base and is known within the villages by working with local agencies and using local volunteers and professionals. We have to win drug users' confidence if we are to get them over the rehabilitation threshold.

I should like to press Ministers on one problem: the short-term funding of many of the agencies involved. If we are to resolve the drugs problem, the agencies working to achieve that aim, and those who work in the agencies, will have to know that they have more than two or three years to do so.

Finally—I speak not only for the communities I represent, but personally—it is time to get tough with drug pushers. Frequently, we know who is pushing drugs, precisely where they live, which drugs they are pushing, and their turnover. However, it seems to take police an unbelievably long time to compile evidence before bringing charges. Although police deny it, I suspect that a decision has been taken to tolerate a certain level of activity. If that is true, it is unacceptable. If it is not true, I simply press Ministers to ensure that police explain to local, elected representatives and community leaders why it is taking so long to take action against identified individuals whose addresses we know.

In many cases, drug dealers operate out of privately rented houses owned by absentee landlords. Although many private landlords are exemplary in managing their property, in many cases, especially in coalfield areas, absentee private landlords have absolutely no interest in what happens in the houses that they let. Such tenancies often involve disgraceful behaviour and drug pushing, and local authorities need stronger powers to address that specific issue.

I commend the Government's action and developing strategy on drugs. However, stronger powers are needed to address the issue. The police in particular have to take an increasingly higher profile in dealing with the problem by making high-profile arrests and—with the media's help—publicising subsequent custodial sentences.

1.8 pm

Mr. Howard Flight (Arundel and South Downs): Some time ago, I was fortunate enough to visit Baalbek, where the temple of Bacchus was decorated with grapes and poppy seeds. Drugs have been with us for a very long time. We grew up reading of Sherlock Holmes, for example, who smoked his pipe of cocaine when he wanted to clear his brain after solving a crime.

In the past 100 years attitudes have changed. Previously, laudanum and opium-based drugs, and cocaine smoking, were not thought to be a terrific threat to society, or a social problem to be banned. Britain and the rest of Europe engaged in the opium trade, selling opium to China. At that time, such trade was thought to be very much like selling American tobacco to Europe.

Why has there been the change, and what is its context? My first point concerns China. Shanghai became a rotten, drug-soaked society because of excessive opium smoking. That threatened not just social destruction, but economic destruction. At the bottom of the debate is the fear that the west is in danger of going the same way, and being destroyed by drugs.

I suspect that that fear is greatly exaggerated. The figures show that 50 per cent. of 25-year-olds have tried drugs, and that 25 per cent. of 16 to 24-year-olds have tried drugs once in the past year. The number of addicts in this country is still not huge.

Having had four children—the youngest of whom is 11—I confess that I am frightened by drugs because I see what happens in schools. No matter the type of school, drugs are pushed. It is remarkable if a child can go through school without experimenting with drugs at some stage. Thirty or 40 years ago, it was not like that. Naively, I should say that I have been offered a joint only once in my life—in America, 20 years ago.

It is completely different for children today. Drugs are pushed at them all the time. Bluntly, those with stronger characters either do not indulge or, if they do, do not continue because the price is too high. It is the more vulnerable members of society who end up becoming drug addicts, irrespective of whether they come from poorer or richer backgrounds. The problem crosses society.

There is also the major problem of crime, referred to by the hon. Member for Hemsworth (Mr. Trickett). The unfortunate equation is that criminality keeps the price of drugs high—which must reduce demand—but, at the same time, it causes drug-related crime, because those who become addicts clearly take to crime because they have not got the money to pay for drugs.

The last Conservative Government programme was entitled "Tackling Drugs Together"; the new Government have merely added to that by calling their programme "Tackling Drugs to Build a Better Britain". Effectively, continuing Government programmes have not been successful in reducing the numbers of people who try drugs, as the numbers keep going up and up. The issue is how successful the programmes are in bailing out people who have become addicts.

The key new initiatives are the emphasis on prevention and on trying to persuade young people aged 15 to 16 not to take drugs. More particularly, there is support for co-operation between the police, local authorities, Customs and Excise and the probation service in the drugs action team initiative.

With regard to the former, I share the views expressed by other hon. Members that unless they are very clever, education programmes designed to put children off have the reverse effect—children naturally want to do outrageous things and to revolt against society to show their bravado. Children should be educated so that they know what to do if they have a real problem. I doubt that we will be successful in trying to persuade young people not to have a go if that is what they want to do.

I am concerned about the success of some of the more interesting and constructive programmes dealing with the problem at the coal face. Funds have been cut by about £1 million in London in the past year and there are rows about expenditure between the police and local authorities.

A marvellous man in my constituency has set up a charity called the Sussex Association for the Rehabilitation of Offenders. When the police apprehend people who are on drugs, it initiates on-the-spot treatment, catching people at their most vulnerable and getting them into programmes to try to help them to kick their habit. SARO has achieved considerable respect right along the south coast and it is expanding like fury all over the place. It is currently financed wholly charitably by the individual behind it.

I have been in non-party political correspondence with the Home Office appealing for a meeting to try to break the logjam of both the police and the local authority saying that they will not give any more money. There is supposed to be co-operation on drug action teams and similar initiatives but there seems to be a stalemate and the Home Office is not helping. I would warmly welcome anything that the Minister can say on SARO and on the general problem.

We need to reduce both supply and demand. It occurs to me, perhaps improperly, that if the west collectively feels that it is entirely justifiable to intervene in the Balkans to stop that which is vicious and destructive of society, there may be an analogy with those parts of the world that are wantonly causing human misery by the production and commercial selling of drugs. I am not advocating military intervention, but is not there some argument for a much more aggressive approach towards tackling the supply on the ground? Nothing of any impact has been done so far.

China, remarkably, stamped out the Shanghai problem by the most appallingly brutal punishments. After the communists came to power, anyone having anything to do with drugs was immediately executed. I am in no way suggesting that we should follow that policy, but if we are serious about trying to limit supply, it is not enough merely to have the poor old police toiling away with Customs and Excise and scratching the surface, beneath which there is a £40 billion a year trade that is not being restricted at source in any way. There is no effective deterrent.

I am sceptical about the impact on demand of educational programmes. The best that one can do is to endeavour to bring up one's children to be as sensible, streetwise and balanced as possible. I have been very fortunate, because my wife gave up her career to bring up our four children and I have always worked and not had the hours to do it. Latch-key kids with only one parent around are much more vulnerable.

Candidly, people in traditional, two-parent families do not let their children go to rave parties where they take Ecstasy and die by mistake because it was toxic. I believe that the central Conservative philosophy of encouraging traditional, disciplined two-parent families will do more than anything else to prevent children from getting into drugs.

I listened with enormous sympathy to the hon. Members for Bolton, South-East (Dr. Iddon) and for Newport, West (Mr. Flynn); that is why I asked them some questions. Clearly there is a prohibition argument that, in terms of reducing both the criminal element and the trendy element in drug taking, drugs should be decriminalised, and then many of the problems would go away.

Prohibition in the United States certainly did not stop people from consuming whisky or other spirits, and it led to the sale of poisonous spirits, just as criminalisation here clearly leads to the sale of toxic drugs. However, if we accept that argument we must accept that a major reduction in the price of all forms of drugs must, in the round, lead to an increase in demand. It would be extraordinary if drugs were unlike any other commercial goods in that way. I asked my hon. Friend the Member for West Dorset (Mr. Letwin) whether it was possible that there would be a reverse demand curve, or that the elasticity of demand would be so peculiar—but it must be exceedingly unlikely.

[Mr. Howard Flight]

If we, like Holland and Switzerland, moved towards decriminalisation, we would have to accept that although some problems would be solved, drugs in all forms would become more like drink and cigarettes, and overall consumption would rise. As my hon. Friend the Member for West Dorset pointed out, the debate about whether that would be a good thing or a bad thing is another issue.

It is difficult to justify the argument that decriminalisation would reduce consumption. It would reduce a lot of the problems, and would make many of them easier to deal with, because drug use would be above board legally, rather than hidden away as a criminal activity. None the less, overall consumption would rise.

If we do not want to go down that route, and drugs become a bigger and bigger problem, we shall have to think about the alternative approach, and ask how we can effectively reduce supply—that will mean tackling supply from the countries where drugs are grown—and introduce penalties that work against drug pushing, especially in schools.

At present our policy is to sit on the issue, keep demand down through relatively high prices, and tackle the problems that result, such as people who become addicted—although we could do a lot more in that respect. Broadly, we try to contain the situation.

I am not convinced that that is a workable long-term balance, and in future we may be forced to go one way or the other. Either we may have to accept decriminalisation, and the idea that we are dealing with something analogous to cigarettes and tobacco, or, if we are concerned that, like Shanghai, our society is being rotted by drugs, we will have to be a lot harsher in our penalties and our intervention policies aimed at reducing supply.

1.24 pm

Mr. Michael Clapham (Barnsley, West and Penistone): I am pleased to be called to make a contribution to this important debate, and I shall focus on my local community, Barnsley. I think that the Government's approach—the national plan—will work, and I was glad to hear the hon. Member for Arundel and South Downs (Mr. Flight) express what I took to be support for it.

The national statistics make frightening reading, but I shall not go through them because hon. Members can, if they wish, pick them up in the anti-drugs co-ordinator's first annual report on the national plan. People are now younger and younger when they first experiment with drugs and that causes us a great deal of concern. The evidence shows that the main drug is probably cannabis, but I have some statistics from Barnsley that will shock the House. In my constituency, heroin is the main drug and its use is widespread.

The Government's programme, "Tackling Drugs to Build a Better Britain", outlines four areas on which we should concentrate—first, work to help young people to resist drugs; secondly, protecting communities; thirdly, ensuring that treatment is available for those who want it; and finally, stifling the supply of drugs. I mention those four planks, because I shall show how they are being implemented locally. The remit of the local approach, especially after the Crime and Disorder Act 1998 and the fact that local authorities are working with the police, is now much wider than that of the drug action teams, although they are still very important and at the forefront of the current work.

In Barnsley, we have had a crime prevention partnership for five years which has been reconstituted under the crime prevention legislation. I have chaired the policy board for some five years, so I see what is happening locally. The new structure—the safer community partnership—provides an overarching mechanism that links together coherently all the work that is being done within the local authority.

Drug taking in Barnsley has increased. Despite all the work that the local authority has done on regeneration, there is still a long way to go. The 1997 household needs survey showed that the average income on council estates in Barnsley is between £5,000 and £6,000. The average income across the borough is £11,000, and that compares with an average income in Yorkshire and Humberside of £18,300. Those figures illustrate the depressed state of the local economy, which has put enormous strains on the local social structure.

It is estimated that 30 per cent. of the population in Barnsley have a disability or a disabling disease. Some 17,775 people receive incapacity benefit and 34 per cent. of children come from households in receipt of income support or family credit. Those statistics are evidence of the strains caused by the running down of the local economy, which happened quickly over four years.

Heroin arrived in Barnsley in 1994; until then its use was little recorded there. Now, the drugs action team estimates that between 3,000 and 5,000 people in the area regularly use heroin. Figures in the report by the anti-drugs co-ordinator show that a heroin user needs between £10,000 and £20,000 to feed his habit. At the lower end of those figures, that means that the cost to the local community of crimes committed to meet that habit is between £30 million to £60 million, and at the top, between £50 million and £100 million. We estimate that 80 per cent. of local crime is carried out by people who need to thieve to feed their habit. So the impact locally is enormous.

My wife is a social worker who deals with child abuse, and I regularly see the way drug use and the drug culture impacts on families, as I work in the community and meet the people on my estates. There has been a predictable increase in anti-social behaviour across the borough. People going to the estates to get drugs from dealers hang around and make life terribly miserable for those who live there.

People living on the estates in the village of Wardle Green in my constituency recently decided that enough was enough. They organised themselves, with help from local councillors and the police, and were thus able to get on top of the problem. The local authority had to evict a person, but two other bully-boys followed him and that success has led to every other house on the estate joining the neighbourhood watch system.

Although the drug action team is at the forefront of the effort in Barnsley, the Barn project deals with young people under 18 who seek help. Statistics show that, in the period between 1 October 1998 to 31 March 1999, the project has helped 81 young people. Of those, 46 per cent.

were on heroin, 18 per cent. used cannabis, and 16 per cent. had problems with alcohol. Again, that shows that heroin is the main drug used in Barnsley.

The women and drugs project in Barnsley is one of only two such projects in the country. It helps women with a drug misuse problem, or whose partners have such a problem. The services that it provides include counselling, a drop-in centre, a well woman clinic and beauty therapy. There is also an antenatal clinic, which is most important. It is staffed by midwives from the obstetric liaison group, who also offer a helpline for pregnant drug users.

In addition, the substance misuse team is staffed by nurses with psychiatric training, while personnel from the Barn project and other schemes offer extra help. Barnsley also has a patient detoxification unit at Kendray hospital. The unit has been working well: until recently, the waiting time for treatment was only one month. However, it is run on bare minimum funding, and I understand that two staff have left recently. The result is that the detoxification centre has had to cut the service that it provides. I hope that my hon. Friend the Under-Secretary will see what he can do to provide the centre with a little more finance to ensure that it can continue its work.

Finally, there is the Barnsley arrest referral project. It was set up in February, and Sova, the national charity that operates the scheme along with Barn and the National Association for the Care and Resettlement of Offenders, says that it is working well. In six months or a year, statistics will prove whether that is so.

One more project deserves a mention. The communities that care project, funded by the Joseph Rowntree Trust, centres on young people, seeking to identify risk factors in the community and to neutralise them. We have high hopes for the project. Oxford and Sheffield universities are doing much of the analysis, and we hope to implement the results of the project in communities other than Barnsley.

In addition to our general aim to tackle drugs to build a better Britain, we must give further assistance. As well as creating policy, we need to create jobs. The new deal is working well in Barnsley, with 675 jobs created for young people. However, there is a long way to go. We need jobs and industry, and I hope that the regional development agencies will be able to focus on local needs.

We need greater equality and inclusion. Barnsley is one of the United Kingdom's poorest boroughs, and positive action is needed to redress our disadvantage. Finally, we need greater redistribution of wealth into the area. Barnsley's local authority, health authority, social services department and local education authority do not have all the funds we need to regenerate and renew the social structure; nor does South Yorkshire police. Without extra resources, we shall not get on top of the problem. Substantial new money is needed. I hope that the Minister will look into whether resources can be made available so that our treatment centre can work effectively.

1.38 pm

Mr. Brian White (Milton Keynes, North-East): I am glad that the hon. Member for Arundel and South Downs (Mr. Flight) mentioned the history of drugs. It is often forgotten that most of the British empire was founded on drug pushing. We do not tend to remember that part of our history. We need also to deal with the inconsistency with which decisions have been made. It is difficult to talk about drugs rationally when debate is often emotive, so I appreciated what the hon. Gentleman said.

A constituent of mine has written to me over several months about her daughter's problems. At the end of one typewritten letter, she added, in handwriting:

"I wish you could do something."

The impact of drugs on families tends to be forgotten, so I want to discuss the relationship families and friends have with the agencies. My constituent wrote that her daughter arrived at her home one night, begging for money, sweating and shaking. Her house had no electricity, and was boarded up after the front door had been smashed in. My constituent wrote:

"I have the sure knowledge that if I give her this money I am stopping somebody being broken into".

She said that she would stop some shop being robbed. She knew that if she gave the money, the drugs that her daughter would purchase could kill her. What sort of choice is that? That point is critical.

We have talked about drugs education this morning. A former addict said that there are three phases to drug taking. The first is drugs for pleasure; the second is drugs mainly for pleasure, but with some pain; and the third is drugs with only pain. That describes part of the problem. There are all the scare stories that drugs are harmful, but the evidence that people have when they first take them is that they are pleasurable. I do not smoke, but I have been a passive smoker all my life—my parents smoked, my wife smokes and my kids smoke, so I have no chance. When people start to smoke they say that they get pleasure from it. Only later, as the hon. Member for Chesham and Amersham (Mrs. Gillan) described, do the pain and the problems of addiction start. We must recognise that fact.

Also, we must recognise that many drug users do not cause crime. They do not rob, but feed their habit with money that they earn. They have responsible jobs and carry on a normal life. They do not cause problems for the criminal justice system. However, for many other people, drugs have caused their problems with the system. It is important to differentiate.

We must also consider the way in which the various agencies react. A constituent of mine was responsible for about 1,000 car thefts. When the police eventually caught him, they gave him a choice of going to jail and serving a two-month sentence, or going to a detoxification unit in prison for a longer time and coming out drug-free. He chose the latter, but because he was in prison longer, he exceeded the limit for the number of days that he could leave his council house and so he lost it. What was the point of him going through that extra process voluntarily to be beaten by the system? One of the key problems that we must tackle is how other agencies, when taking individual decisions, relate to people who are trying to come off addiction.

Another problem with those who are coming off an addiction is that of what are called nomadic addicts—people who attach themselves to addicts and make their lives miserable. They are like limpets—they attach themselves and drag them down. My constituent writes:

"The other problem is her friends, they do not want her to have any treatment, mostly through jealousy".

That is a key problem, which we must recognise.

Many of the comments that were made about drug action teams are true and I will not repeat them for the sake of brevity. I must point out to my hon. Friends

[Mr. Brian White]

the Members for Barnsley, West and Penistone (Mr. Clapham) and for Hemsworth (Mr. Trickett) that I represent a constituency where there are jobs—more than 5,000 were created last year—but we still have a drugs problem. Jobs are not enough. They are important and I am not saying, "Don't create jobs", but other measures have to be taken to deal with the drugs problem.

I mentioned a constituent who has been writing to me. She is a very articulate lady and she has been trying to get help from the various agencies, but because her daughter is an adult, they always say, "She is her own person. We can't help you." One counsellor told her, "I'll counsel your daughter, but you will not be in the room." That is a critical problem. The attitude of agencies has to change so that friends or relatives who are trying to help people beat addiction are given support, and so that artificial barriers are not placed in the way. Most people know that when it gets to that level, drugs cause real problems for families. Addiction and support agencies also need to be there for friends and families.

The efforts of the drugs tsar, the drug action teams and the other issues that we have heard about are all fine, but a culture change is needed in other organisations. Councils, health and social security also play a part. It is not simply a matter of drug action teams, individual counselling agencies or voluntary groups dealing with the problem on their own.

1.44 pm

Mr. Tony McNulty (Harrow, East): In many ways, much of the debate today has been mature, reflective and grown-up which, given the usual debate on drugs, certainly in the British media, is rare. All those who have contributed should be congratulated on that.

There are several different thematic ways in which to address the problem of drugs. The first is education, which hon. Members have pooh-poohed rather too much today. There is a serious role for drugs education; it is not a panacea, as has been suggested. The second is containment, with all its incumbent difficulties. The third is the possibly foolish goal of eradication, which is unlikely—not least for tobacco addicts like me; I should have declared that interest at the start of my speech. We might eradicate some drugs, but certainly not all of them. The fourth is treatment. Much has been said about that, but more needs to be said about the substance of treatment, instead of what happens. The fifth is prevention, which is partly included in education. Finally, there is law enforcement.

I commend the exceptionally good speech made by my hon. Friend the Member for Wellingborough (Mr. Stinchcombe) about the role of drugs inside prisons. From what he said, and from what we already know, it seems that if law enforcement works as a containment by putting the perpetrators of the drug trade behind bars, all we have done is to shift the marketplace. All that has happened is that people in custody, who were previously drug-free, are now queueing up in that marketplace.

As my hon. Friend the Member for Milton Keynes, North–East (Mr. White) said, it is crucial that all institutions, agencies and sectors of society should work together. As he pointed out, the problem is not confined to the barren, windswept, poverty-stricken estates that surround northern cities, or which exist in many parts of London. Drugs are not confined to deprived or working-class areas; they are found throughout society—as various marquesses could tell us, according to the newspaper accounts.

I should like to be able to say that, in an upper-working-class and middle-class constituency such as Harrow, East, we do not have a problem. We do. It might be a relatively small and more containable problem compared with those in other areas, but it exists and—like the problem everywhere else—it is growing. Furthermore, like everywhere else, there is a palpable shift from the use of what are mistakenly called soft drugs to the use of harder drugs. In London, the problem is not necessarily the leap from cannabis to heroin, but the more insidious leap to crack cocaine and cocaine in general. We are not talking about this in the fashionable, trendy, middle-class sense, in which a person is not someone at a party and part of the in-crowd unless a lump of white powder is hanging from his nose. Crack cocaine now causes as much difficulty in London as heroin.

It is estimated that three quarters of all drugs coming into this country touch London. Many pass on to other parts of the country, but London is the initial beacon for drug trafficking. In that context, what can we do? I will touch briefly on the points made by other hon. Members about what I understood to be community capacity building—trying to sort out all the elements that would ensure that drugs are not an alternative. That is a lovely, flowery phrase, but it does mean something. It means giving communities the capacity to grow and enrich their local civic culture in many ways, including economic development. That will help.

At the other end of the scale, all Governments—this is not a partisan point—have at least attempted to use international development measures to try to wean some countries off their mono-crop cultures of coca, cannabis or the heroin poppy. I hate the word globalisation; it is flawed intellectually and in other ways. However, drugs are a global problem, and must be tackled globally. It is not enough to say that some little canton in Switzerland has sorted out the problem, or that Holland has sorted it out, and that prohibition is the difficulty. That is nonsense. I say that with the greatest respect to my hon. Friends the Members for Newport, West (Mr. Flynn), who is no longer in the Chamber, and for Bolton, South-East (Dr. Iddon).

By removing prohibition, we only shift the scale and focus of the problems; we do not get rid of the problems altogether. The rudimentary law of economics dictates that somehow or other, much of the illicit trade—the pyramids referred to by my hon. Friend the Member for Newport, West—will remain. Drug barons up and down the land are not waiting desperately for the legitimation of a VAT registration number.

I am not trying to attack my hon. Friends the Members for Bolton, South–East and for Newport, West—drugs are a worthy subject of debate and dialogue, and I do not like the notion that that can take place only within extremely narrow confines. I fundamentally disagree with my hon. Friends, but I value their contributions. Even though they are completely and utterly wrong, if prohibition was working, we would not have to consider the alternatives to prohibition that they have suggested. We have to ask why prohibition is not working.

I am happy that the Government's strategy on drugs is based on prohibition, but many other elements are needed. We have to work in prisons, and work to achieve economic regeneration and development. I am happy, too, that today's debate has not been partisan, because if there is one subject among all those that we discuss that should not have party politics dragged into it, it is drugs. The drugs problem affects all parts of our society and all constituencies.

I dearly wish that the media took a grown-up view of drugs, not only in their reporting of drugs issues, but in terms of wider celebrity issues. Perhaps I am a harsh man, but I cannot understand why anyone should entertain the views of a man like Will Self and treat him like a serious journalist after the revelation that he had snorted heroin in the previous Prime Minister's aeroplane. Why should anyone take the man seriously? Why take a man like Robbie Fowler seriously, when he thinks that it is hilarious to imitate snorting cocaine on a football pitch? Why draw attention to pop stars who say that taking drugs is like having a cup of tea?

Because of their celebrity, those people have serious responsibilities, but the days when celebrities took those responsibilities seriously seems to be long past. Those who treat drugs as a fashion accessory are to be deprecated and dismissed as charlatans. The next time someone on television treats Will Self like a serious commentator, I shall write to that person and I shall encourage others to do likewise. If that is harsh, so be it.

The issue is not that all drugs equal crime. The issue is principally one of crime and socio-economic conditions rather than of health. By God, the health difficulties follow, but drugs are not primarily a health problem. Nor are we engaged in an elaborate game of cops and robbers. There are people who occupy professional positions in offices who go home and stick something up their nose or inject it in their arm. We have to see the problem in the wider context.

Ultimately, we have to address drugs as a cultural phenomenon and we have to tackle the problem through every single aspect of Government policy, rather than confining it to a single-issue ghetto. Much of what the Labour Government have done and the previous Conservative Government did makes progress in the right direction, but to believe that we are anywhere near to solving the problem is a fundamental error. I commend Governments for what they have done so far, but we have a long, long way to go before we solve a problem that is rooted in the culture and ethics of our society.

1.55 pm

Mrs. Eleanor Laing (Epping Forest): It is a pleasure to reply to what has been a truly non-partisan debate, as the hon. Member for Harrow, East (Mr. McNulty) has just said. I think that is the first time that I have agreed with the hon. Gentleman, but it is a pleasure to do so on this occasion—he should not be concerned about that.

The underlying theme of today's debate—I am glad that we have had a reasonable amount of time in which to discuss this important issue in some depth—is that we are all concerned about drug misuse and we all want to eradicate drug abuse. Of that there is no doubt. I am certain that the small number of hon. Members present in the Chamber does not reflect the level of concern among hon. Members on both sides of the House about that issue. It simply happens to be a busy Friday. I can understand why the Minister, some of my hon. Friends and some hon. Members have had to leave before the end of the debate.

I have travelled around the country in recent months, and I found that, at almost every public meeting, when people were asked about their main concerns and what they would like the Government to address, the problem of drug abuse came very near the top of the list. That has certainly drawn my attention to the fact—I find myself agreeing with the hon. Member for Harrow, East twice in five minutes—that the drug problem affects every part of the country. It is not an inner-city problem or a problem peculiar to the north, the south or anywhere else. Drug misuse affects the whole of our country, and indeed the whole of Europe and the world. Therefore, it is good that we have debated the issue sincerely today and that the different points of view expressed have made it a constructive debate.

We have almost reached a consensus, first, that we must tackle both supply and demand; and, secondly, that the illegality of drugs is a deterrent to drug taking. I know that some hon. Members disagree with the latter point. We must consider prevention and cure and supply and demand. The drug problem is one of the most difficult to combat. It has arisen partly because of fashion and peer pressure and partly because of the recklessness of youth.

We all know that young people must rebel—it is part of their make-up—and, in some cases, that rebellion assumes the form of drug taking. People rebel in many different ways. Some rebel only when they are young and then settle down, and some continue to rebel for ever. Whatever form rebellion takes, the wish to be seen as different and to go against the instructions of others is part of being young. Everyone must go through that stage: we cannot ignore it. Somehow or other, Government policies must go with that trend and use it.

I welcome the Minister's commitment at the beginning of the debate not to legalise any drugs and to keep his policies under review. He said that the Government would watch carefully what is working and what is not; that they would not stick doggedly to previous statements, but would be willing to change policy if it appeared that other measures would work better.

I congratulate my hon. Friend the Member for Congleton (Mrs. Winterton) on her thoughtful and far-reaching introduction to this debate. She covered so many serious matters in such depth and demonstrated such knowledge of her subject that I will not touch on those points again. I am sure that the whole House welcomed her contribution as constructive and not merely critical of the Minister's opening remarks.

The hon. Member for Erewash (Liz Blackman) raised practical points, including the idea that we should encourage police involvement in DARE programmes in schools. I wonder what the Under-Secretary will say to that when he replies to the debate.

My hon. Friend the Member for Beckenham (Mrs. Lait) made a constructive, thoughtful contribution. She apologised for having to leave before the end of the debate. I am sure that the House will agree that she is to be admired for her constant crusade against tobacco and alcohol smuggling. Many of the problems that we face in that respect are the same as those caused by drug smuggling.

[Mrs. Eleanor Laing]

My hon. Friend asked whether the Minister could confirm or deny the rumour that there are likely to be about 1,200 job losses in Customs and Excise over the next three years. I hope that the Minister will be able to respond to that point at a later date if he cannot do so today. I appreciate that it is a rumour, but if it is true, it is serious; and if it is untrue, it would be good if it could be squashed straight away.

I am sure that the Minister will not answer the questions by constantly referring to what the previous Government did. This is a matter on which there is considerable consensus. I am, perhaps, pre-empting the Minister, but this is 1999 and we must consider how we shall proceed. I am looking to the future, not the past. There is no doubt that the policies that the Government are following are built on those of the previous Government, some of which were successful, but nobody is pretending that anybody's policies have solved the problem.

Mr. Flynn: Which of the previous Government's policies were successful?

Mrs. Laing: We have had a whole morning of debate about that. Policies of education and of clamping down on drug dealers and confiscating their assets have been successful to an extent. I am certainly not saying that those policies have solved the problem. Nobody is arguing that. The Government are building on the successful policies of the previous Government and I am sure that when the Under-Secretary responds to the debate, he will tell us what will be the Government's future direction.

My hon. Friend the Member for Beckenham also referred to more training for GPs in treating drug addiction. Will the Under-Secretary respond to that point? I appreciate that he cannot answer for his colleagues in the Department of Health, but the Minister for the Cabinet Office said at the beginning of the debate that the strategy stretches across all Departments. I suppose that it is part of joined-up government. Although I sometimes deride that concept, I was pleased to hear the Minister say that this issue is to be one for joined-up government because it permeates all areas of life. Will the Under-Secretary say whether there will be any guidance to help GPs in treating drug addiction?

The hon. Member for Bolton, South-East (Dr. Iddon) greatly assisted the House with his knowledge and experience in chemistry. I acknowledge his important role as chairman of the all-party drugs misuse group. We all look forward to the findings of the inquiry being undertaken by the hon. Gentleman and his colleagues. I share his horror about the tragic case of the little boy in his constituency who was killed during a drugs raid involving his father. Such tragic cases bring the problem to life in a vivid, upsetting manner. I am sure that that only makes us all the more resolute to try to solve it.

However, the hon. Member for Bolton, South-East confused me by his argument. He said—and I agree—that young people needed role models. I also saw the point of his argument about clinical trials in order to discover the medicinal properties of cannabis. There can be no harm in trials; that is not to take the next step. He went on, however, to give an instance of teachers who had grown their own cannabis and then lost their jobs. He suggested that that should not have happened, but surely teachers are important role models for the children whom they teach and, indeed, for other children. I prefer the role model part of his argument.

The hon. Member for Twickenham (Dr. Cable), who, sadly, is also not able to be present, was right to describe drug dealing as an international business. I welcomed the intervention of the Minister for the Cabinet Office to agree that decriminalising drugs in one country has a significant effect on other countries. The problem must be treated as an international one. I hope that the Minister and his colleagues will be taking opportunities to discuss such matters with their counterparts in Holland and other relevant countries.

The hon. Member for Wellingborough (Mr. Stinchcombe) made a most welcome speech on the problems in prisons. He opened all our eyes considerably, and I thank him for doing so. I am pleased that he agrees with my hon. Friend the Member for Congleton about the need for simpler, cheaper and much more frequent tests on prisoners. I hope that the Minister also agrees; we will be interested to hear what he has to say on that point.

My hon. Friend the Member for Chesham and Amersham (Mrs. Gillan) made a most lively and amusing speech. I certainly support her endorsement of the DARE project, which several hon. Members have mentioned. It will also be interesting to hear what the Minister says on that. I agree with my hon. Friend as much as one possibly can about the importance in matters such as this of early education. I am sure that we all sympathise with her agony of giving up cigarettes. Since she has not had a cigarette since March, we can almost see her halo. She is a very good example of persistence in getting rid of addiction, if I may call it that.

My hon. Friend made me realise that I am an example of someone who benefited from early education in these matters. When I was a very small child in the mid-1960s, Richard Dimbleby, the late, great broadcaster, made a documentary for television about the dangers of cigarettes and heavy tobacco smoking and its links with lung cancer. I do not remember the documentary at all—I was far too young—but I realise that it was the first time that the link between cigarettes and severe danger to health had been properly identified. Two weeks after Richard Dimbleby had made that documentary, he died of lung cancer. My father, who until that point had smoked 40 cigarettes a day, laid down his packet of cigarettes and never smoked another in his life.

I make that point because, as a result of such dramatic early education, neither my brother nor I—I do not hold us up as paragons of virtue—has ever smoked a cigarette. It is a pity that my hon. Friend the Member for Chesham and Amersham did not watch Richard Dimbleby.

The hon. Member for Newport, West (Mr. Flynn) made his usual very different contribution. He is right to be controversial and I admire his tenacity and consistency, but I disagree with his argument, he will not be surprised to hear. Most of my hon. Friends do likewise.

My hon. Friend the Member for West Dorset (Mr. Letwin) made his customary clever analysis of the basic question. Over the next few days I shall recommend to hon. Members who have not been here today that they read his speech. As usual, he cut through the arguments and set the issue out clearly: on what grounds can we as law makers legislate to prevent people from harming

themselves? I entirely agree with his enlightened argument and his conclusion that taking drugs is different from other activities to which it is compared, such as taking alcohol and tobacco, and that it should therefore be treated differently. The vast majority of hon. Members agree.

My hon. Friend the Member for Arundel and South Downs (Mr. Flight) talked about the importance of family involvement. He, too, hit the nail on the head when he said that decriminalisation would merely shift the problem. If we decriminalise drugs, for whatever reason, we shall still have to deal with the same problems of addiction and misuse, but we will not then have the same weapons to combat them.

I also commend the speeches of the hon. Members for Barnsley, West and Penistone (Mr. Clapham), for Hemsworth (Mr. Trickett) and for Milton Keynes, North-East (Mr. White). They all gave practical examples, which opened the eyes of many of us to the on-going problems of drug abuse.

As I said, I agreed with some of the points made by the hon. Member for Harrow, East. Another point on which I agree with him is that this problem occurs throughout the country and in every walk of life. One aspect of the problem that we must tackle is that of fashion, peer-group pressure and the recklessness of youth. That occurs in every walk of life. I am pleased that the hon. Gentleman agrees with my hon. Friend the Member for Arundel and South Downs that we shall simply change the focus of the problem if we legalise drugs.

We almost have a consensus in the House this afternoon. We all know what we want to do and to achieve. Although Conservative Members question the Government's policies critically but constructively, in general we support what they are trying to do. We shall not be able to assess the effectiveness of the United Kingdom anti-drugs co-ordinator until 2002, by which time we shall be able to see whether his appointment and the policies that he is following have made a difference. We all hope that he will make a difference and will succeed because we want to solve this problem.

2.13 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth): I welcome the hon. Member for Epping Forest (Mrs. Laing) to her first outing at the Dispatch Box. Her speech was consensual, which on this subject is entirely appropriate, and full of common sense. From my experience in the House, I know that even in this place common sense sometimes prevails.

My hon. Friend the Member for Harrow, East (Mr. McNulty) said that the problem was widespread and the hon. Member for Epping Forest confirmed that. It is true. Every housing estate, village, town and city in Britain has some sort of drugs problem. They may not all acknowledge it, but it exists. For the families and individuals involved, the personal tragedy is no less if they are Tara Palmer-Tompkinson or someone in my constituency, in Bolton or in Milton Keynes. The consequences of that personal tragedy are serious, regardless of a person's wealth or social standing. Although some people have more ready access than others to treatment, the personal tragedy is the same for everyone.

This has been a very good debate, ranging from references by the hon. Member for Beckenham (Mrs. Lait) and other hon. Members to the problem's international dimension, to accounts of the problem in local communities. The local dimension was described in particular detail by my hon. Friends the Members for Hemsworth (Mr. Trickett), for Barnsley, West and Penistone (Mr. Clapham) and for Milton Keynes, North-East (Mr. White).

The hon. Member for Congleton (Mrs. Winterton) and other hon. Members highlighted the well-established link between drugs and crime. Clearly, those who traffic in drugs are committing a crime, but the fact is that most of those who use hard drugs finance it by various criminal activities. It is no good pretending that that link does not exist, because all the evidence shows that it does.

Other hon. Members raised important points about drug prevention and drug treatment. My hon. Friend the Member for Erewash (Liz Blackman) and the hon. Members for Chesham and Amersham (Mrs. Gillan) and for Congleton commented on the DARE programme, which I shall deal with in more detail later in my speech.

Many other points were made in the debate, and I may not be able to reply to all of them—not because of any unwillingness, or inability, to do so, but because we have limited time. However, I shall read today's *Hansard* and write to hon. Members whose questions I am unable to answer today, to try to give them some enlightenment on the issues that they raised.

Some hon. Members—including, perennially, my hon. Friend the Member for Newport, West (Mr. Flynn)—raised the issue of legalisation and/or decriminalisation. I should like to make it abundantly clear that the Government have no intention at all of decriminalising or legalising any of the substances that are currently illegal in the United Kingdom. I also believe, very sincerely, that it would be wrong to do so. Legalisation or decriminalisation would send the signal, particularly to young people, that it is all right to take drugs. But it is not all right.

My hon. Friends the Members for Milton Keynes, North-East and for Harrow, East mentioned, as did the hon. Member for Congleton, albeit indirectly, the problem of a drug culture, both in the United Kingdom and elsewhere. I believe that, ultimately, efforts to find celebrities from the sports or entertainment world to stand up and say, "Drugs are bad—I think you should stop taking them", will be self-defeating. I am not saying that those people should not send that message, but we should not invest too much hope in that approach solving our problems. Very often, people who take such a stand discover that, because of the nature of our popular press, an aspect of their previous life is dragged out, totally undermining the message that they try to send. The sad truth is that, when such approaches have been taken, they have had an effect completely opposite to that intended. I say that not to be clever or to try to make a debating point, but because it is a sad fact of life.

Several hon. Members mentioned drugs education, which I think is a more productive approach to addressing the issue. In the late 1990s, nearing the new century, how should we approach young people on the drugs issue? More importantly, how do we do so in a way that makes an impact on them? It is no good developing programmes that do not have an impact. We must use the available evidence to construct programmes that work.

[Mr. George Howarth]

The previous Government started a programme—which we have continued—through which we have evaluated the programmes of more than 60 different initiatives taken in local communities. We know from that what has been successful and what has not. I have visited one project involving Manchester city council and Manchester City football club, which focuses on young people training for sport. It uses the football club to make the distinction between a healthy life style—which does not involve drugs, tobacco or alcohol—and an unhealthy one that does not sit well with sport.

Other projects involve communities coming together, with professional help, to get powerful messages across to local young people that taking drugs damages their lives. There are many examples which must be independently evaluated to see what works, and we are doing just that.

The perennial argument made by my hon. Friend the Member for Newport, West, among others, concerns legalisation or decriminalisation. I shall say a brief word about medical use. If any product can be developed that proves to be helpful to people in a medicinal sense and can be clinically trialled and shown to work, the Government—as my right hon. Friend the Secretary of State for Health and others have made clear—will not stand in the way of that product being marketed and licensed in the usual way.

It would be irresponsible to base policy on the medical use of cannabis purely on anecdotal evidence. The decision must be based on science. As and when science proves that it is medically beneficial in some cases, that will be the appropriate time to take such action. To do anything else, or to say that cannabis should be dealt with differently from any other drug that may or may not have medicinal properties, would be wrong.

My hon. Friend the Member for Newport, West and others have said that decriminalising or legalising cannabis would have some impact on consumption, and would certainly have an effect on criminality. The simple truth is that in this country somewhere between 10 million and 11 million people smoke. As we all are in confessional mood today, I can say that I am one of those people. I wish that I could give it up, as the hon. Member for Chesham and Amersham has done. There are something like 20 million to 30 million people in this country who regularly drink alcohol. Appropriately, I am glad to see the Minister for Public Health on the Front Bench, because she has important things to say about the damage that tobacco and alcohol abuse can do to people's lives.

There are currently between 1.5 million and 3 million people in this country who have used or regularly use cannabis. One simple conclusion drawn by the hon. Member for Twickenham (Dr. Cable) and by the hon. Member for West Dorset (Mr. Letwin) is that if cannabis were legalised, the number of people using it would creep up towards the 11 million who smoke. It could even creep up towards the 20 million or 30 million who drink alcohol. The companies that decided to produce and sell cannabis products for recreational use would market them aggressively.

We should not automatically assume that the black market would disappear. Many people have a big stake in the illegal market and they would probably continue by undercutting the legal producers. The point made by the hon. Member for Beckenham about tobacco and alcohol smuggling simply underlines that point.

There is mounting evidence of the problems that cannabis can cause. The hon. Member for Congleton referred to some of them. The World Health Organisation published evidence last year showing that there are consequences to smoking or using cannabis. I am sorry that my hon. Friend the Member for Newport, West is not here to hear me saying that one of the things that I find mildly frustrating about him is that whenever he speaks he claims the status of a scientist to justify his arguments and then proceeds to base them on anecdotal evidence. I suspect that if he thought more deeply he might decide to look at some of the scientific evidence rather than listening solely to anecdotes.

The hon. Member for Chesham and Amersham spoke about crop substitution, which is an important initiative. My right hon. Friend the Deputy Prime Minister and I attended the United Nations Special Assembly last June, where the policy on that was agreed internationally. I am proud to say that we support three crop substitution projects: one worth £3 million in Pakistan; one worth £720,000 in Bolivia; and a third worth £2.5 million in Peru.

Those are fairly small sums but there are also projects run by the United Nations and others and significant work is being done in crop substitution. I hope that the hon. Lady will forgive me if I do not get into the details of the benefits of chrysanthemums but I will investigate the subject and write to her.

If I have been unfair to the hon. Member for Congleton she will correct me. She referred to drug treatment and testing orders and said that she thought that they had been a failure. We decided to pilot them in Liverpool, Gloucester and Croydon. To date—this is up-to-the-minute information—78 orders have been issued and 11 have been revoked. We wanted to pilot the programme to find out where the problems are. We are monitoring the programme, which is only halfway through.

Mrs. Ann Winterton *rose—*

Mr. Howarth: I will not give way to the hon. Lady, because it is 28 minutes past. I do not think that the programme has been a failure.

My hon. Friend the Member for Wellingborough (Mr. Stinchcombe) made an interesting speech about drugs in prisons. Significant resources are going into the Prison Service over the next three years, matched by resources from the service itself. He asked about sniffer dogs. I am pleased to tell him that 70 new dogs are being trained and will be put to use by the end of the financial year.

There is a tremendous amount of anecdotal evidence that because of mandatory drug testing there has been a switch in prisons from cannabis to opiates. We commissioned two independent studies last year, neither of which found any evidence to support that. We are vigilant on the subject. I am proud to say that, as a result of the changes that we have made in the testing, the number of positive tests has reduced from 24.41 per cent. in 1996–97 to 18.5 per cent. in 1998–99 so far. That proves that we are driving down drug use in prisons.

It being half-past Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

ADJOURNMENT (SUMMER)

Motion made, and Question put forthwith, pursuant to Standing Order No. 25 (Periodic adjournments),

That this House, at its rising on Tuesday 27th July, do adjourn till Tuesday 19th October.—*[Mrs. McGuire.]*

Question agreed to.

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Tuesday 27th July, the Speaker shall not adjourn the House until she shall have notified the Royal Assent to Acts agreed upon by both Houses.—*[Mrs. McGuire.]*

DEREGULATION COMMITTEE

Ordered,

That Mr. Oliver Letwin be discharged from the Deregulation Committee and Mrs. Teresa Gorman be added to the Committee.—*[Mrs. McGuire.]*

COMMITTEE OF PUBLIC ACCOUNTS

Ordered,

That Mr. Geoffrey Clifton-Brown be discharged from the Committee of Public Accounts and Mr. David Curry be added to the Committee.—*[Mrs. McGuire.]*

SELECT COMMITTEE ON PUBLIC ADMINISTRATION

Ordered,

That Mr. David Ruffley be discharged from the Select Committee on Public Administration and Mr. Nicholas Soames be added to the Committee.—*[Mrs. McGuire.]*

Cleft Lip and Palate Units

Motion made, and Question proposed, That this House do now adjourn.—*[Mrs. McGuire.]*

2.30 pm

Mr. Robert Syms (Poole): I am raising an important subject today—the national health service cleft lip and palate units, which are now in a state of some turmoil because of the review undertaken by the clinical standards advisory group, which reported in February 1998. The process is now moving on. I especially welcome the presence this afternoon of my hon. Friends the Members for Runnymede and Weybridge (Mr. Hammond) and for Bournemouth, East (Mr. Atkinson), who may, I understand, make a brief contribution later.

The root of many of the difficulties is the proposed reduction in the number of centres from 57 to between eight and 15. Originally, the CSAG examined practice and outcomes elsewhere, especially in Scandinavia. In general, there is some logic to its proposals, but I have particular concerns about them as they relate to Poole.

The reduction in the number of centres is too great, and it looks as if the implementation of the proposals will be somewhat dogmatic. The date of 1 April 2000, by which everything is to be in place, is too soon. There is a feeling among my constituents and others that the consultations are not being taken as seriously by the NHS executive and the regional health authorities as they should be.

In the south-west, the proposal is to reduce the number of centres from five to one, based in Bristol, although that centre may work out of two sites, with Odstock in Salisbury as a second site. That is going too far, too fast.

I had a letter from the Minister of State, Department of Health, the hon. Member for Southampton, Itchen (Mr. Denham), in which he said:

"No decisions have yet been made about the pattern of cleft lip and palate services in the south west, and the views and concerns of patients and their families are taken into consideration in the consultation process."

However, there is still a strong feeling that the proposals for the south-west executive have been set in a particularly firm framework, so that even if we make a case for the benefits of maintaining the unit in full, I am not sure whether that will fit in with the Government's framework. A local petition has so far been signed by 12,000 people and I have the support of many of my colleagues in the south-east Dorset conurbation.

The 1997 White Paper, under the heading, "A New Start", said:

"The needs of patients will be put at the centre of the care process",

and said that the Government would

"rebuild public confidence in the NHS as a Public Service, accountable to patients, open to the public and shaped by their views".

Under the heading "Keeping What Works", the White Paper also said:

"If something is working effectively then it should not be discarded purely for the sake of it".

The key point is that Poole as a unit is working effectively, and should not be discarded. The Poole unit is different from other units in the Wessex region, because it uses a different technique pioneered by Professor

[Mr. Robert Syms]

Delaire in Nantes, in France. It is a regenerative process in which the face is rebuilt so that the muscle can grow. A child whose face has been rebuilt in that way will need less surgical intervention in future. The process allows more natural growth, and has a good record. It is used widely in Germany, France, Canada and the United Kingdom. Poole has been so successful that it has taught many surgeons from Africa and Russia to use the method in their countries.

One of the problems with the present review is that because that method is only one of two methods, there is a risk that we may lose many of the centres that use it. Tony Markus, the surgeon who heads the Poole unit, is one of the foremost national experts in that method, and has published several papers in journals such as the *British Journal of Oral and Maxillofacial Surgery*. There is concern among patients that following the review, they may have to go abroad, to France or elsewhere, to get such treatment. That is causing a great deal of concern.

Another important point about the Poole unit is that it has conducted an audit and published its results, whereas other units have not published that essential information. It is therefore difficult to make comparisons using the available data, although the data from Europe permit some comparison to be made. The Freiberg analysis is of particular merit, as it covers both the plastic surgery method and the Professor Delaire method. Evidence from parallel studies over a number of years demonstrate that better results are achieved by the maxillofacial technique.

The cost of centralising a region's operations into one centre does not appear to have been analysed critically other than in the broad-brush terms. The maxillofacial treatment usually requires only between one and three operations, whereas plastic surgery requires many more. Moreover, the changes made by plastic surgery do not grow with the child, so fairly regular operations are needed to compensate for growth. Cost ought to be a factor, especially if the method shows signs of success.

If the proposals are implemented, the practical effect will be that parents in the south west and the Wessex region will not be able to choose to have their children treated by the maxillofacial method, which would not be available at Bristol or Odstock. Parent meetings of the Poole group have been informed by member parents who have suffered treatment at Bristol, Manchester and at other units in the midlands that under no circumstances would they allow their children to be treated by those plastic surgery units again.

There is a great deal of support, among parents and patients who have experienced the benefits of the Poole treatment, for maintaining the unit. There is supposed to be freedom of choice under the national health service charter, but the proposals, if adopted, will mean that maxillofacial treatment will survive only at units in the north of England, if they too are not axed by the end of the process.

Published evidence in the United States shows that the attitude of parents to family involvement in cleft palate techniques can be a significant help in such cases. I believe that the system used in Poole commands much public support. The support and co-operation of parents with children suffering from such problems are vital, and the method is tried and tested.

Given that no other unit apart from Poole has published audited accounts, and that such accounts from the continent indicate that better results are being obtained by the maxillofacial process, it appears that the proposal could cause standards here to fall significantly. The Dorset hospital trust and the local health authority support the maintenance of the internationally acclaimed unit at Poole. How can the regional authority or the Government seek to override that local support and international recognition?

The local parent support group has made the strongest representations to the regional authority to be permitted representation at the final meeting in Bristol. None of the three letters that it sent has been answered. The only response was to the regional representative of the Cleft Lip and Palate Association in Exeter, who has no knowledge of or connection with the Poole unit, nor any personal knowledge of the techniques used there, which have international support.

It has been intimated that the regional authority wants decisions to be made by July. What criteria will govern those decisions, and what has happened to the three months consultation period that was first suggested? How is the right of choice under the patients charter to be addressed?

Centralisation in Bristol would be bound to remove all local support for the system that is currently available, and poorer families who could not afford the travel and accommodation that the proposals would require would suffer especially severely. This form of treatment needs a multidiscipline approach and support from many people, such as speech therapists. There is a fear that some of that team approach will be lost if Poole relinquishes its ability to undertake surgical interventions.

The road system between Bristol and Poole has not been improved significantly since the second world war, and travel by rail usually means two changes and significant cost. That is a very real problem for my constituents. An earlier attempt to centralise services at Bristol involved the Bristol baby heart unit: that offers a poor precedent.

The problems of reorganisation in Poole are causing much public concern. The local newspaper has run a campaign against the plan, and most of the parents who have witnessed the benefits that the unit has given to their children want it to remain open so that it can provide a service to people all along the south coast.

I plead with the Government to listen to representations made to them. The technique pioneered by Professor Delaire, and used by Tony Markus in Poole, must not be lost at the end of the review. It makes sense to have choices of treatment so that we can judge which is best. Choice also offers a degree of diversity in the health service. It would be a great pity if we lost Delaire, ending up with just a plastic method. Many nations—Russia and Africa included—are getting on to our method, which is proving successful.

I shall be interested by what the Minister says. The demands of parents in Poole should be heard by the Government and the executive of South-West regional health authority.

2.40 pm

Mr. David Atkinson (Bournemouth, East): On my own behalf and that of my hon. Friend the Member for Bournemouth, West (Mr. Butterfill) may I congratulate

my hon. Friend the Member for Poole (Mr. Syms) on securing the debate? We support all that he has said. Like him, we have received expressions of concern from constituents who are absolutely devastated and extremely distressed by the clinical standards advisory group's proposal to close the Poole unit in favour of Bristol.

The proposal overlooks the fact that treatment for cleft lip and palate is not a one-off operation, but a continuous process requiring regular attendance and treatment, for more than 10 years in many cases. A 27-year-old constituent of mine tells me that he has had 23 operations. He enjoyed no quality of life during his youth and adolescence. After years of trial-and-error treatment, he is finally enjoying confidence for the first time in his life because of the care that he has received from the brilliant pioneering team at the Poole unit, led by Dr. Markus.

It is inconceivable that the Poole unit should be closed and that our constituents should be required to travel as far as Bristol—a four or five-hour round trip, plus waiting time and treatment time. The Minister would not wish such an imposition on her own constituents. I hope that she will ensure that it does not happen to ours.

2.42 pm

The Minister for Public Health (Ms Tessa Jowell): I congratulate the hon. Member for Poole (Mr. Syms), who has been assiduous in raising the cleft lip and palate service at Poole. I also appreciated the speech made by the hon. Member for Bournemouth, East (Mr. Atkinson).

Across the country, we are embarking on a major service reorganisation for highly specialist services. We want all children to achieve the best possible outcome from their care. It is important that services are organised in a way that achieves that aim. That is as important for families in Poole and Dorset as it is for families in the rest of the country.

The hon. Member for Poole will understand that in commenting on the designation of specialist cleft centres, I must be careful not to prejudge issues. Where changes in the commissioning arrangements represent a significant alteration to a local service, local consultation will be needed. If the local community health council contests any change—no doubt it will properly represent the views of the local Cleft Lip and Palate Association groups—it will have to put forward a viable alternative plan. The Secretary of State would consider that plan alongside health authority submissions before making a final decision. This afternoon, I do not want to pre-empt that process in any way.

What I can say is that we are working closely with parents through the Cleft Lip and Palate Association. At national level Gareth Davies, the association's chief executive, is a key member of the cleft implementation group. He is clear about the aims, which are to ensure that the best care of children comes first. He appreciates that it is not possible for every district hospital to have a local cleft service, but in travelling to a major centre he, as a representative of parents, will expect all children to have access to high-quality treatment.

About one child in 700 is born with a cleft, which means about 1,000 new cases every year. It is the most common facial defect and no one really understands what causes a child to be born with a cleft. We do not believe that it has anything to do with what the mother does during pregnancy. Clefts are formed in the embryo at an early stage as a result of a failure of the fusion process between the upper lip and primary palate. In some cases, there is a family link and it has been suggested that there might be an association with unknown environmental factors, but generally they just happen. Clefts are not usually diagnosed during pregnancy—it is unlikely that radiographers would always be able to make a confident diagnosis from an ultrasound scan—so most clefts are diagnosed in the delivery room. For the family, for which it is understandably a moment of shock and distress, care should begin from the moment that the baby is delivered and should continue throughout the child's growing years into adulthood.

Children with clefts and their families face many challenges. The hon. Member for Poole made it clear what a long journey many of those children face. A hospital admission is a traumatic event in anyone's life. Cleft children may need three or more operations. Cleft lips are usually repaired at six to 12 weeks, cleft palates at around six months. Other operations may be necessary to correct a misalignment of the jaw or to insert a bone graft in the upper jaw. Those are difficult and worrying times for parents. The quality of that surgery is therefore a major component of any care plan for a cleft child. It takes great skill and should be carried out by experts. It is not an operation that a surgeon can expect to carry out occasionally and still get good results.

For the reconstruction process to be effective, surgery must be part of a co-ordinated package of care provided by a whole host of health care professionals, working in multi-disciplinary teams. It is crucial that the care and treatment of clefts is properly co-ordinated to overcome the risks of facial disfigurements, dental problems, poor hearing and speech disorders, all of which can have an enormous impact on a child's healthy development. Standards at every stage must be the highest possible. Failure to provide proper speech therapy or dental care can be devastating and lead to a range of what are essentially avoidable problems.

There was concern for many years that the treatment of clefts was less good than it should be, with enormous variations in general treatment standards. I suggest that all of us who know children who have been born with that disfigurement can bear testimony to the high degree of variation in the quality and range of treatment.

Those standards were often below what was expected in other European countries so in July 1995, following representations from the Standing Dental Advisory Committee, the previous Government asked the clinical standards advisory group to review the delivery of services, paying particular attention to the comparative

"effectiveness of care provided by high and low volume provider units, as measured in terms of clinical outcomes and other patient-centred measures. "

The CSAG appointed a committee led by Professor John Murray and Dr. June Crown, supported by a team of experts, reflecting the range of services needed by cleft children and adults. The team included Tony Markus, the consultant maxillofacial surgeon in Poole, to whom the hon. Member for Poole paid tribute.

The CSAG reported in February 1998. What it discovered was disturbing; the recommendations were quite clear in finding that standards of care across the country were on average very poor. The CSAG found 75 surgeons carrying out primary cleft surgery in 57 centres in the UK. There was a general inability for centres to provide all the key members needed to form a multidisciplinary team.

[Ms Tessa Jowell]

Surgeons with a high volume of operations had better results than those with a low volume. That is clearly a crucial determinant of the quality of outcome for children. At 12 years of age, 20 per cent. of children had poor lip appearance and 42 per cent. had poor nasal appearance. All children who had unilateral cleft lip and palate surgery should ideally have received an alveolar bone graft before their 12th birthday, but 16 per cent. had not. For those who had, 58 per cent. of the grafts were unsuccessful. Speech was difficult to understand in 19 per cent. of 5-year-olds and in 4 per cent. of 12-year-olds. Twenty-seven per cent. of 5-year-olds and 31 per cent. of 12-year-olds had developed excessive nasal tone caused by inadequate closure of the palate. Only 67 per cent. of 5-year-olds and 53 per cent. of 12-year-olds had a completely successful outcome from secondary velopharyngeal surgery. Only one unit provided evidence of clinical audit over a 12-year period.

The CSAG took the view that that proliferation of centres and surgeons, and the absence of a complete multidisciplinary approach, had resulted in variable care, and relatively poor clinical outcomes for patients. As a result, the group recommended that there should be no more than 15 cleft centres for the whole of the UK; that each surgeon should treat between 40 and 50 cases a year; and that orthodontists and speech and language therapists should be similarly experienced.

Although the CSAG's research did not establish a direct link between volume and outcome, we took account of its very persuasive argument that clinical outcomes were most likely to be improved by concentrating scarce, highly specialist resources into fewer cleft centres. We recognised that poor clinical outcomes were likely to be due to the limited expertise in those centres treating small numbers of clefts. Better outcomes were most likely to be achieved where there were multidisciplinary teams of professionals, working well together.

We accepted that improvements in services can be addressed by reducing the number of existing services, but in doing so we emphasised that any reduction in the multiplicity of cleft centres should be driven by quality and effectiveness considerations. It is not simply a numbers game. We aim to drive up quality. Although we have accepted that treatment should be undertaken in fewer main centres, much of the follow-up care could be provided in more satellite centres, depending on local circumstances. Hopefully, that will reduce the inconvenience to children and their families referred to by the hon. Member for Poole, when they have to travel long distances, especially in rural localities. It will also enable parents to build a good relationship with their local cleft team.

The new arrangements for commissioning were set out in a Department of Health circular, which was issued in November last year. They included criteria for selecting specialised services, and a list of services, including cleft lip and palate services, for which some collective commissioning arrangements, below national level, might be necessary. Those arrangements will take effect in the 2000–01 commissioning round.

To support the NHS, we set up a cleft implementation group under the chairmanship of Dr. June Crown, who had been vice-chairman of the CSAG committee. The role of this group is to oversee the changes in service delivery in accordance with the CSAG recommendations. It is supporting the NHS executive's regional offices in specifying the service standards expected of any designated cleft centre, and the arrangements for monitoring service agreements.

Mr. Syms: In addition to the setting of standards, it is important that there should be a degree of diversity so that we do not end up with only one form of treatment. The form of treatment that I mentioned should be included within the services.

Ms Jowell: I entirely accept that diversity should not be obstructed, but it is important that all treatments within the diverse range on offer should withstand scrutiny for clinical effectiveness. I would expect such scrutiny to apply to the Delaire method.

The CIG has produced a commissioning framework for cleft services. Any centre currently carrying out cleft surgery, including Poole, would need to demonstrate to its regional commissioning group that it can meet the criteria set out in that commissioning framework document. The framework ensures that there are clear pathways of care; that there is a full range of clinical and support skills available; that there is collaboration not competition, with all surgeons participating in national inter-centre audit; that children are treated in a proper paediatric environment; and that there are adequate facilities for parents who have to travel.

As I said, it would not be right to comment in detail on or to prejudge the proposals being considered in the south-west, as they may be referred to the Secretary of State for final decision. However, I understand that the region's preferred option is for a twin-site arrangement between Bristol and Salisbury. That would mean that one cleft team would work on two hospital sites, under one clinical director. All staff would be expected to work on both sites.

The region is currently mapping out the detail of the hub and spoke arrangements. That work is being led by teams from Bristol and Salisbury, with the involvement of other relevant trusts. Some aspects of the spoke arrangements are clearly fixed by the commissioning framework, whereas others are negotiable and need to be worked out by the units and approved by the local health authorities as commissioners of the services. It is anticipated within the region's proposals that the follow-up of existing patients will continue at the existing centres, if that is what patients and their families want.

The clear overriding aim is to provide the best quality care and outcomes for children, and I have set out the way in which we intend to achieve that. My view, which is shared by the medical profession generally, is that to use the highly valued skills of surgeons working within multidisciplinary teams in a small number of cleft centres is a proper aim. I hope that I have made it clear that the Department of Health takes very seriously the findings of the CSAG report. We are determined to respond and to secure improvements in the currently unacceptably variable standards of care provided to children. That is as important to the Government as it is to the hon. Gentleman, who has this afternoon rightly voiced the concerns to his constituents.

Question put and agreed to.

Adjourned accordingly at one minute to Three o'clock.

House of Commons

Monday 5 July 1999

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Mr. Tom King (Bridgwater): On a point of order, Madam Speaker. The Prime Minister is to make an extremely important statement at 3.30 pm. I have sought to get a copy of the proposals which I understand were published in Belfast. I have asked the Vote Office, which has no copy but expects one shortly. There was said to be a copy in the Library. In fact, there is not a copy in the Library, and that makes it extremely difficult for right hon. and hon. Members to respond. May I ask for your good offices, Madam Speaker? I have General de Chastelain's report, which is now available, but we do not have a copy of what, apparently, was agreed.

Madam Speaker: I understand that a copy will be made available in about half an hour. That should give Members ample time to get it before the Prime Minister speaks on it.

Oral Answers to Questions

SOCIAL SECURITY

The Secretary of State was asked—

Retirement Pensions (Upgrading)

2. **Mr. Bill O'Brien** (Normanton): What progress is being made on the upgrading of retirement pensions; and if he will make a statement. [88023]

The Secretary of State for Social Security (Mr. Alistair Darling): A statement on uprating will be made at the normal time. Pensioners will share in rising national prosperity.

Mr. O'Brien: I appreciate all the contributions that have been made and the work that has been done by the Government to help pensioners. The present Government have done more since the general election than was done in 18 years under Conservative Governments. However, my concern now is for today's pensioners. Increases in water charges and in the television licence fee, and the fact that pensioners must now pay more for reduced services, mean that the increase in their outgoings is greater than the increase in the cost of living, according to which their pensions are calculated. That is driving more people into the poverty trap.

Now, we have the threat of the reduction or withdrawal of housing benefit. More than 50 per cent. of pensioners in my constituency receive that benefit, and its loss will be tragic for pensioners. Will my right hon. Friend take account of my concerns—which are shared by millions of pensioners—and assure us that today's pensioners will not lose out and that their quality of life will not be eroded?

Mr. Darling: First, there is no question of pensioners losing housing support. All Governments have recognised that it is necessary to ensure that pensioners can meet their housing costs, and that will remain the case. However, my hon. Friend raises an important point. One of the problems that we have inherited is that, in this country, the gap between rich and better-off people and poor people has never been greater. The same applies to pensioners: the gap between better-off and poor pensioners is at its largest for very many years.

The Government's objective is to help today's poorest pensioners by giving them the minimum income guarantee. We are spending an extra £4 billion during this Parliament to help the pensioners whom my hon. Friend mentioned, who lost out in the Tory years. We have more to do. We are increasing the winter fuel payment fivefold this year and we are determined to ensure that, in future, pensions provision is structured far better than it was in the past, so that we never again have a large number of elderly people left with very little support—as we did when the Tories were in power. We are starting to tackle that and put it right.

Mr. Edward Leigh (Gainsborough): The Labour Government consider that the existing state pension is inadequate, which is why they are introducing the stakeholder pension. However, has the Secretary of State seen a recent report published by the Institute for Fiscal Studies which shows that, instead of introducing the stakeholder pension, the Government could have achieved the same ends by reforming existing pension arrangements? Instead of setting the cart before the horse by introducing the Bill before the consultation period, why have not the Government come forward with a simple reform, buttressing the contributory principle and ensuring that people in future have a decent pension instead of the bewildering array of stakeholder and second pensions, which is confusing people and not achieving the Government's aims?

Mr. Darling: We inherited a situation where, after the Conservatives' 18 years in office, one person in three of working age was liable to retire on income support right from day 1—such was the inadequacy of the pension provision that the Tories left us. We have ensured that the basic state pension remains the foundation of pension provision. We have introduced the minimum income guarantee for the poorest pensioners. What is more, we are making changes to ensure that people can retire on more than that minimum income guarantee because, if they do not have occupational pensions, or if it is not appropriate for them to be in personal private pension schemes, they can get access to a funded pension through stakeholder pensions.

I am not sure how up to date the hon. Gentleman keeps on these matters, but I would say to him that the approach that we set out in our Green Paper last December has been almost universally endorsed. By contrast, there has been absolute silence from the Tories as to what their pension policy is. We do not know. Perhaps, under the new

regime, there will be a pensions policy, but until they get a pensions policy perhaps they should consider the benefits that our reforms will bring.

Mr. Chris Pond (Gravesham): I welcome the progress that has been made on welfare reform, but is my right hon. Friend satisfied that enough has been done, and is being done, on welfare reform to meet the challenges of the 21st century?

Mr. Darling: We have made a very good start in the first two years. We are the first Government ever to express our determination to eradicate child poverty within 20 years—something that the Tories never did, or would do. We are making changes to the benefit system to ensure that work pays and to ensure that people cannot be written off—or be allowed to write themselves off, as happened under the Tories—and we are making long-term changes to the pension structure, which was long overdue. However, we have far, far more to do, and we will not be deflected from reforming the welfare state, ensuring that a system that was designed 60 years ago is brought up to date. We have made a useful start; we have much more to do, and I am determined that we will see it through right to the end.

Mr. David Willetts (Havant): I presume that the Secretary of State means that he will not be deflected by his own unhappy Labour activists, who were causing him so much trouble at the weekend. Can he confirm that the value of the pension will be one of the subjects covered in the welfare policy review that he was forced to offer his unhappy supporters, such as the hon. Member for Normanton (Mr. O'Brien), at the weekend? What other Government policies will now be reviewed under pressure from the right hon. Gentleman's party activists? At a time when the Government are presiding over an increase in welfare spending of £8 billion over three years, the last thing we need is yet another roadshow.

Mr. Darling: The hon. Gentleman has some cheek in lecturing us on social security spending. Despite all the rhetoric, over the 18 years during which the Conservative party was in power, Conservative Governments increased social security spending by 90 per cent. Under the Labour Government, the rate of growth of the social security budget is half what it was under the Tory Government. We are ensuring that the money that we spend is spent to the best possible effect. That is why we are spending a record amount on increasing child benefit to alleviate and then eradicate child poverty. That is something that the Tories never did.

We are ensuring that work pays so that people get off benefit and get into work. That is something that the Tories opposed and did nothing about for the almost 20 years during which they were in power. We are also addressing other problems that they left us. We have a generation of pensioners who lost out because of the inadequate pension provision made by the Tories. As I said to my hon. Friend the Member for Gravesham (Mr. Pond), we have made a start, but there is a great deal more to do.

Unlike the Tories, we are not prepared to tolerate a situation where a benefit system designed for a different generation in different times becomes increasingly out of date. We shall make the changes that are necessary to ensure that we have a benefit system that makes work pay and provides work for all those who can work as well as providing security for those who cannot.

Mr. Lindsay Hoyle (Chorley): Will my right hon. Friend ensure that pensioners in Chorley and throughout the country will not be failed by the Labour Government—unlike the Conservative Government, who presided over 18 years of failure? That is a trap into which we should not fall. Will my right hon. Friend ensure also that, whenever possible, he will increase the basic pension for all our pensioners?

Mr. Darling: We certainly will. As I said to my hon. Friend the Member for Normanton (Mr. O'Brien), many pensioners' incomes have increased, mainly as a result of occupational pensions. The problem is that many more pensioners have lost out. Over the years during which the Tories were in power, some pensioners became poorer and poorer, and the Tories did nothing about it. The minimum income guarantee, the fivefold increase in the winter fuel allowance, the return of free eye tests and a host of other measures, including increasing investment in the national health service—all these things were opposed by the Tory party—mark the difference between this Government, who are concerned about the well-being of pensioners, and the Tory party, which both during its time in office, and now, it appears, in opposition, has had nothing constructive to say.

All-work Test

3. **Mr. Stephen Day** (Cheadle): If he will make a statement on his proposals to reform the all-work test. [88024]

The Parliamentary Under-Secretary of State for Social Security (Mr. Hugh Bayley): There is a provision in the Welfare Reform and Pensions Bill to replace the all-work test with the personal capability assessment. The personal capability assessment will determine entitlement to benefit in the same way as the all-work test has done hitherto. In addition, it will provide constructive information about what a person's medical condition or disability would allow them to do and advice on practical measures which might improve their chances of returning to work. This will enable personal advisers to help people identify and overcome the barriers that they face and take steps back into employment.

Mr. Day: Is the Minister telling the House that there will be no change to the criteria applied by the new system, as opposed to the all-work test? Will there be a change in the frequency of the periodic review? Will the information that claimants have to provide change in any significant way?

Mr. Bayley: I am surprised by the hon. Gentleman's question. It is clear that he has not been following the debate. We have made it clear time and time again that the functional ability tests which existed in the all-work test will be repeated in exactly the same way in the personal capability assessment, so that entitlement to incapacity benefit will not change in any way. However, there will be a change in that the test will stop ghetto-ising

people into incapacity benefit and will start examining the way to get them off benefit and into work. That is the difference.

Ms Rosie Winterton (Doncaster, Central): Will my hon. Friend say how the new tests will assist people who have mental health problems? People with mental health difficulties sometimes feel that the present system does not meet all their needs because their needs may be less tangible than those of people with physical incapacities. In my constituency, the benefits advice and tribunal unit feels that the presence of a qualified psychiatrist at an assessment would be helpful in recognising the needs of people with mental health difficulties.

Mr. Bayley: I welcome my hon. Friend's question. She is right that concerns have been expressed about the way in which the test deals with people suffering from mental health incapacities. We are not changing in any way the threshold of entitlement to benefit, and people who currently meet the criteria will in future receive the benefit. The special procedures that apply to people with mental health problems will continue. Claimants suffering from a severe mental illness will in future, as in the past, be wholly exempt from the all-work test.

It would not make sense to ensure that the test for certain groups of people was undertaken by a consultant psychiatrist, but it makes absolute sense to ensure that all the doctors conducting the all-work test are trained to deal with the psychological and psychiatric conditions presented to them. We are introducing better training for the doctors who undertake those tests, and in collaboration with the Royal College of Physicians we are introducing for the first time ever a qualification in disability assessment management, which will lay a benchmark of good practice that will be used within the service.

Madam Speaker: I notice that the hon. Member for Cheadle (Mr. Day), who put the original question, has already left the Chamber, before hearing the final answer. I hope that hon. Members will note that that is not the way to behave.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy): The Minister knows that recently the composition of appeals tribunals hearing all-work test appeals was changed to allow for one professionally qualified chairman and no lay people. Will the new system encompass the fairer, older system? The change to one legally qualified chairman is seen as rubber-stamping a larger number of appeals being turned down.

Mr. Bayley: I can reassure the hon. Gentleman that, under the new regime, which is now fully operational, a minimum of two people will be required. I hope that the hon. Gentleman will agree that it was vital to speed up the appeals process, because justice delayed is justice denied. Many people had to wait months to have their appeal heard. That was unfair, so it was necessary to reform the system, which the Government have done.

Carers (Second Pension)

4. **Mr. Paul Goggins** (Wythenshawe and Sale, East): What progress he is making with the introduction of a second pension for carers. [88026]

The Minister of State, Department of Social Security (Mr. Stephen Timms): There has been a wide welcome for our manifesto pledge, now confirmed in the pensions Green Paper, to allow carers to build up a second pension. We are working on the details at present. We expect 2 million carers to qualify for credits each year. We are aiming for legislation in the next Session and for credits to commence in 2002, when the state second pension is due to be introduced.

Mr. Goggins: I agree with my hon. Friend that the announcement of a carers pension is popular. May I press him on the situation of carers who should qualify for a second pension because they have been awarded invalid care allowance? The Green Paper states that qualification is automatic for carers who are in receipt of invalid care allowance, but in practice some carers who are awarded invalid care allowance do not actually receive it because they are in receipt of other contributory benefits, such as widows benefit or incapacity benefit. Will my hon. Friend confirm that the award—and not necessarily the receipt—of invalid care allowance will lead to entitlement?

Mr. Timms: My hon. Friend raises an important point, and the answer is yes. Credits will, as he says, go to recipients of invalid care allowance and to those receiving child benefit in respect of children under five, and credits will also go to people in the circumstances that he described—people providing care for people receiving attendance allowance and the middle and higher rates of disability living allowance, but who do not actually receive invalid care allowance, in many cases for the reasons that my hon. Friend outlined. It is an important step forward for carers and recognises the immense contribution that they make.

Mr. Steve Webb (Northavon): In the reform of pensions for carers and others, does the Minister believe that simplicity is a virtue?

Mr. Timms: Indeed I do. That is why the state second pension is being reformed, to ensure that on retirement, everyone who has worked and contributed throughout his or her life will be delivered an income above the means-tested threshold. That is a simple goal which has been widely welcomed and which the entire House will recognise as the right way forward.

Family Incomes

5. **Mr. Ben Chapman** (Wirral, South): What action his Department has taken to improve the situation of poorer and working families. [88027]

The Secretary of State for Social Security (Mr. Alistair Darling): In April, we increased child benefit by the largest amount ever. In October, the working families tax credit will be introduced, helping an extra 500,000 families and providing an income guarantee for every family in full-time work of at least £200 a week. Those reforms, together with other tax changes, will mean that a family on £13,000 a year will be better off by up to £2,500 a year.

Mr. Chapman: Does my right hon. Friend agree that the situation we inherited when the Tories left power—

one in three children being brought up in poverty—was an absolute disgrace? Although I warmly welcome the Government's commitment to eradicate child poverty within a generation, what practical steps are being taken now to help the plight of children? That is what concerns people most.

Mr. Darling: I agree with my hon. Friend, which is why we have been increasing child benefit by large amounts—a record amount last year and this. In addition, the working families tax credit, which the Conservatives are pledged to abolish, will mean that, because of the Labour Government, a family on £13,000 a year will be £2,500 better off than they would otherwise have been. That measure makes the case for welfare reform: it will make work pay, provide security for those people about whom we ought to be concerned and ensure that we eradicate child poverty within a generation. The Tories did absolutely nothing about that when they were in government.

Mr. Julian Brazier (Canterbury): Will the Secretary of State confirm that the working families tax credit will have an impact on families also drawing housing benefit, whatever his long-term plans for benefit reform may be? Hundreds of thousands of families will face a combined tax and benefit withdrawal rate of 89 per cent. Such conditions will hardly encourage them to help themselves.

Mr. Darling: The hon. Gentleman—unwittingly, I suspect—makes the point that further reform is necessary. The working families tax credit reduces the effect of marginal rates of taxation for poorer families, but he is quite right: housing benefit also needs to be reformed—not only because its administration is inefficient and expensive and because it is open to fraud and abuse, as all of us know, but because it acts as a disincentive to many people who ought to be in work. Unfortunately for him, he is making the case for further reform of the benefits system. I repeat what I said earlier: we have made a start, but there is a great deal more to do to ensure that the benefits system, as well as providing security for those who cannot work, makes work pay.

Ann Clwyd (Cynon Valley): I think I can anticipate my right hon. Friend's reply, but I shall ask my question nevertheless. There is a real sense of grievance among my constituents who previously received reduced earnings allowance, which, as we know, was abolished by the Tories. In opposition, we made strong criticisms of that abolition, and there is a real sense of betrayal—I do not think I am putting it strongly enough—among the people who came to my surgery this weekend saying that they are £30 to £40 worse off as a result of that. Will my right hon. Friend look at this matter again?

Mr. Darling: I am well aware of the point that my hon. Friend makes. She is quite right that, suddenly and unexpectedly, the Conservatives cut the rate of REA, which miners thought they would receive after had they retired. The problem is that that benefit was meant to replace people's income when they were in work. That is clearly difficult for people who have entered into commitments. I say my hon. Friend, as I have said to many of her colleagues, that I am prepared to look at this matter, as I am prepared to look at all parts of the benefits system, but I do not want to raise her expectations or those of her constituents and I am not giving an undertaking that I will be able to resolve the problem to everybody's satisfaction. I think she understands that.

Mr. David Rendel (Newbury): Does the Secretary of State accept that it is particularly important for poor working families that their children should remain dependent for as brief a time as possible and should get jobs as soon as possible after they finish their education? Does he not therefore think that it is time he did something about the young people who are sometimes held up for five months before they receive national insurance numbers, thanks to the failure of the NIRS2 system? A number of businesses are refusing to give those young people jobs until they have national insurance numbers.

Mr. Darling: Many young people go straight into jobs on leaving school, but we want to ensure that many more go into higher education to achieve better skills and qualifications. Secondly, the new ONE service, which will bring together the Employment Service and the Benefits Agency, will mean, for the first time, that someone of working age will receive advice immediately on entering the system.

Thirdly, I am well aware of NIRS2 problems, which we inherited from the Tories—[HON. MEMBERS: "Oh, come on."] The Tories signed the contract, and they must take complete responsibility for a system that did not work. The problems are being overcome. I am glad to hear that the hon. Member for Newbury (Mr. Rendel) supports our general thrust; that is why I find it hard to understand why he wants to take his party into closer allegiance with the Conservative party.

Mr. Frank Roy (Motherwell and Wishaw): On the point about working families, my right hon. Friend will know that Scottish schools are on holiday. While teachers are paid during the holidays, cleaners and dinner ladies are not—and nor are they entitled to jobseeker's allowance or any other benefit. Does the Secretary of State have any plans to redress that unfair anomaly?

Mr. Darling: I am fully aware that Scottish children are on holiday—and that we are not. I am aware of the problem to which my hon. Friend refers. About two months ago, a commissioner's decision stopped the Department of Social Security paying benefit to the dinner ladies in question. The case has been appealed to Scotland's supreme court, the Court of Session, and we should receive a definitive ruling before too long. Many dinner ladies may be entitled to some help from the Benefits Agency, and if they are in any doubt, they should contact the local agency. I shall keep the situation under review, particularly once we have received the Court of Session ruling.

Stakeholder Pensions

6. **Mr. John Wilkinson** (Ruislip-Northwood): What discussions his Department has held with representatives of pension funds about the Government's proposed stakeholder pensions. [88029]

The Minister of State, Department of Social Security (Mr. Stephen Timms): Ministers and officials have benefited from numerous meetings with representatives of the pensions industry, including those from personal pension and occupational pension funds. Pension fund representatives are receiving our consultation documents on stakeholder pension schemes and will help us to get the detail right.

Mr. Wilkinson: Would it not have been wiser to wait until the Green Paper consultation period had ended before initiating legislation? Is it not clear that both the Government's required top limit of 1 per cent. on annual fees and the low level of contributions—down to 10 per cent. a month—will squeeze life offices and pension funds that are already suffering severely under the Labour Government? Is not the axing of 4,000 jobs by the Pru a foretaste of things to come unless the Government listen and change their mind?

Mr. Timms: We consulted widely on the framework for stakeholder pensions contained in the Welfare Reform and Pensions Bill before the Green Paper was published. I listen with interest to the hon. Gentleman's appeals on behalf of the insurance industry. It is our ambition that every employee in Britain should, for the first time, have access to a good-value, dependable funded pension.

We are driving a hard bargain on behalf of scheme members, and we are absolutely right to do so. The Government and the industry need to pull out all the stops to persuade millions of people that it is worth their while to save for their retirement. We shall not do that if charges are excessive, as they have too often been for personal pensions. The financial services industry is perfectly capable of producing the good value that we need. Our job is to ensure that good value is delivered for stakeholder pensions.

Mr. Frank Field (Birkenhead): I congratulate the Government on the extensive consultation on their welfare reform programme, and I welcome the extension to the consultation announced yesterday. However, there appears to be a contradiction between a stakeholder pension policy that relies on voluntary saving, and the introduction of a minimum earnings guarantee, which will make it impossible for many workers to save enough to be better off than they would be under the guarantee. Will the review announced yesterday consider that matter?

Mr. Timms: I do not believe that there is any contradiction. As formulated, the state second pension will take people above the minimum income guarantee if they have saved and contributed throughout their lives. If, instead, they are in a stakeholder pension, it, too, will contribute.

On the point about compulsion, the problem is that many people cannot afford to save. Already, 4.6 per cent. of national insurance goes towards their pension, and for low-paid people extra compulsion is simply not on. That is why the state second pension is being designed to provide a real incentive for voluntary extra saving, and that is what I believe our scheme will achieve.

Mr. Michael Trend (Windsor): Following the Minister's reply to my hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson), let me say that surely a basic premise of the stakeholder pension scheme is that it will be popular because there will be a set 1 per cent. annual charge. Will the Minister confirm that the Government are sticking to, and will continue to stick to, that 1 per cent. figure?

Mr. Timms: I can confirm that we shall drive a hard bargain on behalf of scheme members. We are in consultation, and we shall take account of everything that we hear in response to the proposal. I am grateful to the hon. Gentleman for giving me the opportunity to correct a misapprehension under which the shadow Secretary of State, the hon. Member for Havant (Mr. Willetts), is labouring with regard to the consultation process. I welcome the hon. Member for Havant to his new position, and I accept that it is a tough brief to get on top of, but I informed the hon. Gentleman and the House last Wednesday that we published two consultation documents last month and we plan to publish four more this month. The hon. Gentleman issued a rather bizarre press release under the heading "Conservative Party News", in which he said:

> "That brings the total number of such documents to a staggering 10".

We shall have published six documents, not 10—two plus four equals six, not 10. That remains the position.

Mr. Terry Rooney (Bradford, North): Has any pension fund provider or any life assurance company opposed the principles of stakeholder pensions?

Mr. Timms: No, they have not. They have warmly welcomed them. As my right hon. Friend said, there has been an almost universal welcome for the principles which we have laid down and which are contained in the Welfare Reform and Pensions Bill. It is important that we now work with the industry and everyone else with an interest in this matter to get the details right.

Benefits (Orthopaedic Patients)

7. **Mr. Anthony Steen** (Totnes): What estimate he has made of the cost in social security benefits of the waiting times experienced by patients for orthopaedic *(a)* consultations and *(b)* operations. [88031]

The Parliamentary Under-Secretary of State for Social Security (Mr. Hugh Bayley): Spending on social security benefits is affected by very many factors, and it is not possible to isolate the benefit cost of waiting for orthopaedic treatment.

Mr. Steen: Will the Minister explain to the House why 25-year-old Jason Ganney of Buckfastleigh will be on state benefits until October 2001, as he has been told that that is the earliest date on which he can have a knee operation? He injured his knee while playing rugger for the Buckfastleigh Ramblers against the Exeter Saracens. He is a skilled young man. He is married and his wife is expecting a child, but he cannot look after her and has to stay on state benefits because the national health service cannot give him a date before October 2001 for a minor knee operation. Is that not disgraceful?

Mr. Bayley: I have seen the correspondence between the hon. Gentleman and the Secretary of State for Health,

and it is for the Department of Health to answer on health matters. I shall confine myself to the social security matters. The hon. Gentleman raises an interesting point. He will be aware that the new deal for disabled people is already addressing the need to ensure that people who suffer an injury while in work can retain their jobs.

The national health service inherited from the previous Government a terrible legacy on waiting lists. The Secretary of State for Health said that it would take a 10-year programme to rebuild the national health service. However, there has been substantial progress already. An additional £417 million was provided for waiting list initiatives last year, and another £320 million this year. The number of people on waiting lists is considerably lower nationally, and lower by 4,600 in Devon, which is a 14 per cent. reduction. The Secretary of State for Health will continue to press for a reduction in waiting times for all treatments.

Social Security Appeals

8. **Helen Jones** (Warrington, North): What steps his Department is taking to improve social security appeals procedures. [88032]

11. **Mr. Clive Efford** (Eltham): What steps he is taking to shorten the waiting times for appeals for incapacity benefit and disability living allowance claimants who have had their benefits stopped. [88036]

The Parliamentary Under-Secretary of State for Social Security (Angela Eagle): As we announced on 23 June, we are improving procedures for making decisions and handling appeals. These changes will help our clients, including those whose incapacity benefit or disability living allowance has been stopped. The Independent Tribunal Service has already taken action to shorten the waiting times for appeals, and is now making significant inroads into its backlog of cases.

Helen Jones: I thank my hon. Friend for her reply.

Although I have raised the matter in the House before, many constituents are still contacting me, almost in despair over the time that they are having to wait for their appeals to be heard. Does my hon. Friend not agree that that is an unacceptable burden to impose on people who are already in a very vulnerable position? Can she assure us that she will continue to monitor the situation, to ensure that the mechanism we introduced to improve appeals tribunals is delivered and that people are given decisions as speedily as possible?

Angela Eagle: My hon. Friend makes a case for speeding up reform that cannot be questioned. I could point out that, again, the problem is due to the legacy of the Conservative party. There are backlogs of seven months. That is why we changed the system in the Social Security Act 1998, as a result of which new decision-making and appeals procedures are now being introduced. The chief executive of the new Appeals Agency has been set tough targets.

In February there was a backlog of 70,000 cases, or 50 per cent. of the case load. By the end of May, that backlog had been reduced to 34,000, or 30 per cent. of the case load. As I have said, significant inroads are being made, but we are not complacent about the task that faces us.

Mr. Efford: I, too, thank my hon. Friend for her answer; but does she share my concern about the number of claimants whose benefits are being stopped as a result of inadequate information given to adjudicators by medical examiners, and about the impact that that is having on the backlog? What steps can she take to improve and monitor the actions of medical examiners, to ensure that they perform better in the future?

Angela Eagle: There are many reasons why tribunal cases may be adjourned, or tribunals may not be able to reach a decision. We are trying to deal with all those reasons. Sometimes bad administration is to blame, but, by means of the new decision-making and appeals processes, we are monitoring the standard of work closely. Reports will be made to Ministers on how that is going. I hope that a significant improvement can be made in all these areas, but especially in administration.

Mr. Tim Boswell (Daventry): Does the Minister accept that people with disabilities are especially vulnerable in respect of appeals, and delays in the proper payment of benefit? Those people are extremely worried. Although the Minister has given figures in an attempt to claim that there has been some improvement, that is not the way in which many of my constituents see the position.

Does the Minister also accept that, even if the appeals situation improves—as we all hope that it will—a further round of difficulties will arise from Government proposals to means-test incapacity benefit? Those proposals are likely to add further to the complexity of the system and to the number of appeals and difficulties, and to lead to a general lack of fairness in the treatment of people with disabilities.

Angela Eagle: I welcome the hon. Gentleman to the Front Bench—I do not think that I have had the pleasure of doing so before—but I cannot agree with what he has said.

It is important to remember that, through the changes to decision-making and appeals, we have made it easier for errors to be sorted out without the need for an appeal. We hope that that will lead to the speedy resolution of many more cases, thus clearing the way for experts to examine genuine cases that require decisions. I am convinced that we shall have a much better, more sensitive way of disposing of a number of cases—to the mutual satisfaction of appellants and those who consider their appeals—right at the beginning, before cases even come to appeal.

Pensioners (Income Support Take-up)

9. **Mr. Gordon Prentice** (Pendle): What steps he is taking to ensure that pensioners entitled to income support are encouraged to claim it. [88033]

The Minister of State, Department of Social Security (Mr. Stephen Timms): My hon. Friend raises an important point, to which we are giving careful consideration. Last year, we undertook some pilot projects

and research studies. We expect to receive the evaluation results from them shortly. We are watching with interest more recent partnership initiatives between the Benefits Agency and local authorities, which are showing encouraging results. We hope before long to be able to announce plans to encourage take-up among pensioners.

Mr. Prentice: When did my hon. Friend last look at a pension book? There are references to the help available, but people need 20:20 vision to read it. Why do we not simply redesign the pension book and grab pensioners' attention by saying, "1 million pensioners are entitled to claim income support, but do not do so; it could be you."? Grab their attention!

Mr. Timms: My hon. Friend makes a valuable point. Actually, it is up to 700,000 pensioners, not 1 million, but I am attracted by his attention-grabbing proposal. Another helpful initiative would be to make it easier for pensioners to claim over the telephone. We have had a good deal success with a pilot service for pensioners to make retirement pension claims over the telephone. That approach has a lot of potential as well, but I agree: it is important that we are imaginative. I want everyone who is entitled to income support—every pensioner—to receive it.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): Does the Minister acknowledge that one of the easiest ways in which to deliver help to some of the poorest pensioners is to look at the limitation of the threshold for capital? The limits have been at those levels for some time. The Government have said that they might look at them in the near future. Has he anything to report in that regard?

Mr. Timms: The hon. Gentleman makes an important point; we made it, too, in the pensions Green Paper. We intend to introduce some proposals during the life of the current Parliament, but there is no announcement to be made today.

Ms Gisela Stuart (Birmingham, Edgbaston): I am sure that the Minister would like to join me in congratulating Birmingham city council, which has just completed a pensioner awareness week, which encouraged pensioners to claim all the benefits available to them. Is any focused work being done to identify areas where, as purely statistical evidence indicates, there is particular need and high incidence of non-claiming, and to target initiatives such as the one in Birmingham at city councils throughout the country?

Mr. Timms: I have been very impressed by what I have read of the Birmingham initiative; I have asked for more information about that. I am grateful to my hon. Friend for raising that matter. There is potential in the statistical analysis that she has described. A couple of weeks ago, I visited Wolverhampton. There has been an effective take-up campaign there, run jointly by the Benefits Agency and the local authority. The local authority identified people who, from its housing benefit records, looked as though they were entitled to income support but were not receiving it. As a result of that initiative, 300 extra people in Wolverhampton are receiving the minimum income guarantee. There is much potential here, particularly in the partnerships between local authorities and the Benefits Agency. We want to explore them fully.

Mr. David Willetts (Havant): May I press the Minister further on the interaction between means-tested assistance for pensioners and the stakeholder pension for people on low incomes? He will be aware from comments that have already been made that there is widespread concern among hon. Members on both sides of the House as to why someone should take out a stakeholder pension if all it does is reduce their entitlement to means-tested assistance. He was talking about arithmetic earlier. Let me ask him an arithmetical question. How much money do people have to have—*[Interruption.]* I am afraid that it is a bit trickier than the earlier question. How much money do people have to have in their stakeholder pension fund if they have no other savings, so as to secure an income that will float them off means-tested assistance?

Mr. Timms: It depends on the level of the minimum income guarantee, which will be uprated in line with earnings, but the point that the hon. Gentleman misses is that, through the state second pension or a stakeholder pension, if people contract out of the state system into a funded pension, they will be delivered on to an income in retirement that is well above the level of the minimum income guarantee. They then have full access to all the additional savings that they have made. People will be much better off in a funded pension. That is why we want every employed person in Britain to have easy access to a good-value, dependable, funded pension scheme.

Benefit Integrity Project

10. **Mr. Bill Rammell** (Harlow): If he will make a statement on reform of the benefit integrity project. [88034]

The Parliamentary Under-Secretary of State for Social Security (Mr. Hugh Bayley): The benefit integrity project was terminated on 31 March 1999. We have replaced it with a periodic inquiry process into disability living allowance awards that is both fairer and more sensitive to the needs of individual disabled people.

Mr. Rammell: I thank the Minister for that response. Does he agree that a crucial part of the changes has been the move from a faceless, cost-cutting bureaucracy to a situation in which a claimant is, rightly, able to speak over the telephone to the person who is making the decision on that claimant's benefit eligibility? Will the Minister also reassure the House that the Government will continue to invest in training for Benefits Agency staff, particularly in disability awareness, to ensure that the changes are successful?

Mr. Bayley: Yes, I can give my hon. Friend that assurance. The benefit integrity project was introduced by our predecessors, before the general election, as a cost-cutting exercise, and was, therefore, seen as unfair by disabled people. The project considered only cases for reduction in benefit, not cases in which people were being paid too little benefit. Our periodic review, however, will do both: it will reduce benefits when people's circumstances change and they no longer qualify for higher rates, but also increase benefits for those whose

needs increase. That is what is different about the changes, and it is why our new review process will be much fairer.

Mr. John Bercow (Buckingham): According to what precise criteria will discretion be used to decide whether reviewed benefits should be backdated or not backdated?

Mr. Bayley: The rules on backdating are the same as those that applied under the benefit integrity project: one does not backdate benefit to the date of either the inquiry letter or the inquiry visit.

Child Support Agency

12. **Sir David Madel** (South-West Bedfordshire): What recent discussions he has had with the chief executive of the Child Support Agency on reform of the agency's procedures; and if he will make a statement. [88037]

The Secretary of State for Social Security (Mr. Alistair Darling): I meet regularly with the chief executive of the Child Support Agency, and, of course, discuss the way in which the agency works. The hon. Gentleman will be aware that, last week, I made a statement to the House in which I described a number of improvements that we propose to make.

Sir David Madel: When mistakes have been made by the Child Support Agency on money due for maintenance and a deduction of earnings order is imminent, whose job is it to get the mistake corrected quickly? If the job is to be ours as hon. Members, surely we should be given power to put a stop on deduction of earnings orders while the matter is being re-examined. That is a perfectly reasonable request, and a reasonable Government would grant us it.

Mr. Darling: The hon. Gentleman has been in the House long enough to remember the time when all hon. Members had a power virtually to stop immigration cases, whereas—certainly in my experience—we were never in possession of sufficient information to be able to reach an informed judgment on those matters. I do not really think that giving Members of Parliament power to intervene in the administrative process—perhaps on limited evidence, and sometimes on the basis of limited partial evidence, from one view only—would be a particularly satisfactory way of doing things.

What I do think is necessary is the root-and-branch overhaul of administration of the CSA, which I announced last week, and to get away from the current situation, in which the very complexity of the formula makes it very likely that there will be mistakes. In future, under the new simpler formula that I announced last week—in which only three pieces of information will be needed to calculate how much is due; the tables showing how much will be due was published in the White Paper—the incidence of mistakes is likely to be much lower.

Mr. Gerry Sutcliffe (Bradford, South): May I tell the Secretary of State that I do not want the powers described by the hon. Member for South-West Bedfordshire (Sir D. Madel)?

We have had some negative press after the excellent statement made last week by my right hon. Friend on the White Paper proposals, as many people have been confused about interim administration arrangements until the legislation is changed. What can he do—perhaps working with agencies and local authorities—to get across the White Paper's message on how the changes will affect people in the intervening period, until new legislation has been introduced?

Mr. Darling: My hon. Friend makes a good point. In the next three years, we shall be investing £28 million in the Child Support Agency. We are strengthening the agency's senior management, and bringing in, as agencies, people with far more experience from other branches of the Department of Social Security, to tighten up the CSA's middle management and to get decision-making right in the first place.

Additionally, we are placing far more attention on complaint resolution. More than 600 staff will be allocated to deal with interviews, face to face with those who have complaints or do not understand how a calculation has been made. Moreover, at the earliest possible opportunity, we shall introduce penalties for late payments, and make it an offence to lie to the agency or not to co-operate with it.

I believe that all those changes will mean that the improvement that has been made in the past year or so will get better and better. I am sorry to say that until we get legislative approval to make the formula simpler, the agency will always have difficulties. It will never be popular. We can make some valuable alterations in the mean time, but a new formula is vital to ensure the fundamental changes that we all want.

Mr. Eric Pickles (Brentwood and Ongar): The right hon. Gentleman suggested last week that it would be helpful to have cross-party support for reform of the Child Support Agency. Does he realise that the undertakings given across the Dispatch Box will bear materially on whether there is such co-operation? In his statement last week he dismissed our worries about the confidentiality of Inland Revenue files but, on 27 April, the Under-Secretary, the hon. Member for City of York (Mr. Bayley), assured me that the files would be used only as a last resort, repeating that assurance six times in a relatively short debate. Were the Opposition duped by those undertakings? Has the policy changed, or does the Secretary of State stand by those undertakings?

Mr. Darling: I find it interesting that when we announce reforms that will help 1 million children who do not get help now, the hon. Gentleman is bothered only about the minority of fathers who fiddle the system and conceal their true financial state from their children. Let me make the position clear. We shall ensure that people have every opportunity to tell us how much money they have so that we can calculate how much they should be paying their children. Of course it will be only as a last resort, if they insist on misleading us or lying to us, that we shall go to the Inland Revenue and ask what that individual has said in their tax returns. It is high time that the Conservatives started addressing the real problem of 1 million children losing out because of the mess that we inherited at the Child Support Agency, which they set up.

Young Carers

13. **Mr. David Kidney** (Stafford): How his Department *(a)* identifies and *(b)* helps young carers. [88038]

The Parliamentary Under-Secretary of State for Social Security (Mr. Hugh Bayley): I know that my hon. Friend has a close interest in children's welfare. He will be aware that social security benefits are not available to children under 16 in their own right, but if, unusually, we received a claim from someone under 16 who was clearly a carer and requested help, we would give appropriate advice, such as suggesting that the parent should receive benefits advice or that the family should contact social services.

Mr. Kidney: I thank my hon. Friend for that answer. Does he agree that some carers as young as 12 and 13 bear the heavy responsibility of caring for adults with disabilities? The national carers strategy challenges us all to identify and provide help and support to such youngsters. Although the main aim of that challenge is education and health services, there is a role for the Department of Social Security and the Benefits Agency. One inexpensive way of alerting all claimants for invalid care allowance of the possible availability of local support is shown by the south Staffordshire carers support project, which has produced an excellent leaflet called "Young Carers Need You to Listen". Will my hon. Friend look again at the rules for entitlement to invalid care allowance, which currently exclude those who stay in full-time education? Will personal advisers for 16 and 17-year-olds be sensitive to the needs of young carers?

Mr. Bayley: I thank my hon. Friend for that interesting question. I am sure that he joins me in paying tribute to my hon. Friend the Member for Croydon, North (Mr. Wicks), whose Carers (Recognition and Services) Bill a few years ago contained proposals, opposed by the then Conservative Government, to ensure that the needs of young carers as well as adult carers were taken into account. That laid the groundwork. I have considered the issue that my hon. Friend has raised. It would not be appropriate to pay invalid care allowance to those under 18, because the benefit replaces earnings for those who are unable to work, although there are circumstances in which a full-time carer under 18 who is not in full-time education would be able to claim income support with a carers premium, which answers my hon. Friend's point.

Mrs. Virginia Bottomley (South-West Surrey): Many people welcomed the words of the carers strategy. However, I ask the Minister to visit the home counties. He would be welcomed in Surrey, where he would find that the social services, education and health settlements meant that there was no prospect of expanding services—it was a question of retreating. Perhaps the most irresponsible step is to mouth the words, but not to make the means available to deliver the objectives.

Mr. Bayley: Many things have changed since the legislation was placed on the statute book and since the publication of the carers strategy. I have visited a number of carers projects in different parts of the country, and they welcome the fact that, as part of the strategy, an additional £140 million has been made available, principally to provide breaks for carers.

ONE Service

14. **Mr. John Healey** (Wentworth): What reduction in incomplete or incorrect first-time benefit claims he estimates will result from the introduction of the ONE service. [88039]

The Parliamentary Under-Secretary of State for Social Security (Angela Eagle): The first pilot offices offering the ONE service opened for business on 28 June. One of the many advantages of the new service is that advisers will be able to help clients to complete their claim forms during the initial work-focused interview. We therefore anticipate that there will be fewer incomplete or incorrect first-time benefit claims.

Mr. Healey: Will my hon. Friend acknowledge that one of the understated strengths of the concept of the ONE service is the opportunity to get claims complete and correct from day one? Will she therefore consider making that objective one of the yardsticks by which the pilots are judged?

Angela Eagle: My hon. Friend is absolutely right. We believe that there are large administrative gains to be made from preventing the duplication of work and the chasing of incorrect forms, and from ensuring that people can get their benefit payments quickly. They can then concentrate more effectively on how to get off benefit and back into work. I can confirm that that is one of the things that we will be measuring in the monitoring and implementation process, and we will be expecting significant beneficial effects.

Public Service Delivery

15. **Mrs. Joan Humble** (Blackpool, North and Fleetwood): What progress his Department is making with integrating the delivery of its services to the public with services offered by other parts of Government. [88040]

The Parliamentary Under-Secretary of State for Social Security (Angela Eagle): This Department is making substantial progress in planning the integration of its services to customers through a modern service programme which will deliver business change and enhance information technology support. Our primary focus at the moment is the ONE project pilots, which commenced on 28 June, in which we are ensuring the delivery of work-focused benefit services and promoting partnership, working with the Benefits Agency, the Employment Service and local authorities.

Mrs. Humble: I am sure that my hon. Friend is aware of how confusing and time consuming it is for many disabled people in particular to try to access different Government Departments and local authority departments. What plans does my hon. Friend have to ensure that areas such as Blackpool, which are not part of the pilot for the ONE service, have a single gateway to enable disabled people to access all the services that they need?

Angela Eagle: We are hoping to learn from the ONE pilots how we can offer the service throughout the country. We are doing other things to try to integrate interdepartmental working, and the work of local authorities and the agencies of Departments. That includes

the presence in all 349 local authorities of remote access terminals which allow people to look at the information we have to ensure that they can process housing benefit correctly. I assure my hon. Friend that the benefits of integration will be coming to all areas of the country as soon as we can ensure that that can be done practically.

Dr. Julian Lewis (New Forest, East): As the Government are doing such a good job in integrating the services offered by different Departments, will the Minister have a word with the Secretary of State for Health and advise him that by focusing on the numbers on waiting lists, he is making waiting times longer, and thus adding tremendously to the social security bill?

Angela Eagle: The hon. Gentleman should know that both waiting times and waiting lists are falling.

Disabled People (New Deal)

16. **Dr. Brian Iddon** (Bolton, South-East): What progress his Department has made in implementing the new deal for the disabled. [88041]

The Parliamentary Under-Secretary of State for Social Security (Mr. Hugh Bayley): Together with my right hon. Friend the Secretary of State for Education and Employment, we have introduced the new deal for disabled people. We are also piloting a personal adviser service under the new deal in 12 areas, including my hon. Friend's constituency. I know that he has visited the scheme and has taken a close interest in its work.

Dr. Iddon: Not only has the pilot scheme in Bolton employed four people previously on incapacity benefit but so far, in the first eight months, it has seen 565 people, half of whom have been assessed and 88 of whom have been put into an occupation. There are excellent partnerships running; with Bolton local authority, for example, with whom the scheme has won European structural fund money for 200 workplaces. Will my hon. Friend join me in congratulating Peter Jones and his staff on the excellent start that they have made?

Mr. Bayley: I do indeed congratulate Peter Jones and his staff. I have visited the project and I know that it is working extremely well. It shows the difference between our approach to welfare benefits and that of the Conservatives. We seek to get people off benefits and back into work.

Northern Ireland

Madam Speaker: The right hon. Member for Bridgwater (Mr. King) raised an important point of order at 2.30 pm today about the joint statement by the British and Irish Governments, which should have been available in the Vote Office at that time. I understand that it was available in Northern Ireland at 9 pm on Friday. There is no reason whatever why it should not have been in our Vote Office early this morning. I hope that those who are responsible for distribution will improve efficiency.

3.31 pm

The Prime Minister (Mr. Tony Blair): With permission, Madam Speaker, I should like to make a statement on last week's talks on Northern Ireland.

Last Friday, I proposed a way forward for Northern Ireland. The starting point was the Good Friday agreement, which set out an agreed basis for a peace settlement in Northern Ireland. It offered Unionists what they have sought for the past 70 years: the principle of consent—that is, no change to the status of Northern Ireland without the agreement of the majority of its population; changes to the Irish constitution, with Dublin dropping its legal claim to the North; and devolution of powers to Northern Ireland, with an elected Assembly, an Executive and other institutions.

For the nationalists and republicans, the Good Friday agreement offers equality, justice, and the normalisation of Northern Ireland society; for the first time since partition, the ability to share power and responsibility and not have their electoral mandate set at naught; a range of new institutions, including north-south bodies; and, over time, as the security situation improves, demilitarisation.

Above all, the Good Friday agreement offered all the people of Northern Ireland the prospects of permanent peace and an end to violence. I believe that it is still the only true way forward for Northern Ireland.

Of course, difficulties remain. There is still violence, much of it recently by loyalists opposed to the Good Friday agreement, and there is still conflict and bitterness, as we can see in Portadown, where I will continue to work for a settlement of the Drumcree issue; but life in Northern Ireland has improved immeasurably since the Good Friday agreement. Normality has returned to most parts of the Province.

Whatever their disagreements, the two sides now talk to one another regularly, but one vital issue is unresolved: how to secure the decommissioning of paramilitary weapons. The Good Friday agreement required all parties to use their best endeavours to secure decommissioning.

On 25 June, the Taoiseach and I secured the commitment of all the signatories to the Good Friday agreement to three principles on which the rest of our work was then based: that an inclusive Executive should be formed, exercising devolved powers; that all paramilitary arms should be decommissioned by May 2000; and that decommissioning should be carried out in a manner determined by the International Commission on Decommissioning under General John de Chastelain.

Both sides need certainty. Unionists want certainty that decommissioning will happen, and a guarantee that, if it does not, they will not be left in an Executive with those who refuse to make it happen. Republicans want the certainty that Unionists are serious about participating in a genuinely inclusive Government. Our agreement last Friday, in my view, provides both.

In more detail, the proposal is as follows. Northern Ireland Ministers would be nominated by the parties, using the d'Hondt procedure, on 15 July. The devolution order would be laid before Parliament on the following day, and powers transferred on 18 July.

The de Chastelain commission would require a start to the process of decommissioning. The general has already said that he expects this to be within

"literally a couple of days".

That process of decommissioning begins when a paramilitary group

"makes an unambiguous commitment that decommissioning will be completed by 22 May 2000 and commences detailed discussions of actual modalities (amounts, types, location, timing) with the Commission through an authorised representative."

So there would have to be definitive statement of intent, certified by de Chastelain literally within days. If that does not happen, and de Chastelain certifies a breach of this process, at that point the Executive is unwound. So we shall know within days whether decommissioning is to happen or not.

The commission then sets a further time limit, within which there is to be a start to actual decommissioning of weapons. The general has said that he would expect that to be within a few weeks. Again, should the actual decommissioning not come as de Chastelain has laid down according to the Good Friday agreement, then the failsafe kicks in. De Chastelain is due to make reports on progress on actual decommissioning in September, October and December and in May 2000, by which time it is to be complete. That is all entirely in line with the Good Friday agreement. Under it, parties are expected to use their best efforts to secure decommissioning. Last Friday's agreement is effectively the basis for how that will be judged.

Should default occur, the institutions are suspended automatically while we find a way forward. We are then, in effect, back to where we are now, but with these two vital differences: the blame for default is clear, and the parties are then free to move on in an Executive without the defaulting party. I cannot make the other parties agree to a new Executive, or force anyone to sit in a Government with anyone else, but I can make sure that Sinn Fein does not continue in an Executive with the Ulster Unionists should there be a default of the de Chastelain process. All that will be set out in legislation.

In my judgment, it is a far better deal than was on offer at Hillsborough. That offered a token act of decommissioning, dependent on reciprocal steps by the British and Irish, with no clear framework for completing the decommissioning process by May 2000. This, by contrast, provides a guarantee of a complete process of decommissioning, plus a failsafe that fully protects the interests of Unionists. There is a challenge to all parties: to Unionists to agree to a power-sharing Executive; to republicans not just to give up violence but to decommission weapons in accordance with the undertakings set out in the Good Friday agreement; and to nationalist opinion to support parties implementing this agreement and not to support those who refuse to do so.

If last Friday's agreement is put through, we will know in days whether the paramilitaries are serious about decommissioning their weapons. After 30 years

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of bloodshed, grief-stricken families and terror-torn communities, is it not worth waiting 30 days to see whether the undertakings are fulfilled? If they are, peace—real peace—can come. If they are not, we will know that the challenge of true democracy was too much for those linked to paramilitary groups. Either way, we will know. So I say to people: discuss the detail, debate it and engage; but do not throw away the best chance for peace that we will have in this generation.

Mr. William Hague (Richmond, Yorks): We are grateful to the Prime Minister for his statement. The whole House will appreciate his efforts and those of many others to resolve those very difficult problems.

The Good Friday agreement continues to have the full and unequivocal support of the Opposition. It offers the prize of peace and an end to the horror and suffering of the past 30 years. We are committed to making it work and to seeing it implemented in full.

Does the Prime Minister agree that the decommissioning of all illegally held arms and explosives is an absolutely essential part of that process? It was supposed to begin almost immediately and to be completed by May 2000, but, so far, it has not happened. Will he make it clear that the obstacle to progress has been not the right hon. Member for Upper Bann (Mr. Trimble) and his party, who have done all that was required under the agreement, but the terrorists—republican and loyalist—and their political representatives, who have failed to get rid of their arms?

Does the Prime Minister agree that, against that background, the anxieties of the Unionists are wholly understandable? They are being asked to admit, as Government Ministers in a part of the United Kingdom, representatives of terrorist groups that remain fully armed and capable of carrying out violence on a massive scale. They are being asked to take on trust claims by Sinn Fein, which does not even profess to speak for the IRA, that, once it is in government, disarmament might take place.

In assessing these proposals, we have two major areas of concern that give rise to two sets of questions. First, it is clear that there is still no cast-iron guarantee that the IRA will commence decommissioning its weapons. One of its leaders was quoted as saying that there was no guarantee of decommissioning. Will the Prime Minister confirm that, in the emergency legislation—to which the House will give speedy passage—there will be a precise, transparent timetable for decommissioning?

Secondly, on the failsafe guarantee, Friday's document states that, without decommissioning, the Government

"will suspend the operation of the institutions set up by the Agreement."

Does the Prime Minister agree that that could punish democratic politicians for the failure of paramilitaries to decommission? Will he therefore expand on his comments on the radio this morning, when he said that, if the IRA failed to state its intention to decommission within days,

"it's open to us all to formulate a new way forward without Sinn Fein"?

Will the Prime Minister confirm that, in those circumstances, he would seek the suspension from the Assembly of Sinn Fein and any loyalist paramilitary groups? Will he further confirm that the Secretary of State would use the power given her in the Good Friday agreement to invite the Assembly to form a new Executive without Sinn Fein? That is not to say simply that it could do so, but that the Secretary of State would use her power to invite it to do so—that is the difference in what I am asking.

Will the Prime Minister confirm also that, in those circumstances, he would, without hesitation, put on hold any reform of the RUC and criminal justice system and stop the early release of terrorist prisoners?

We are now at a stage where the two Governments—British and Irish—and the democratic parties, nationalist and Unionist, have jumped every hurdle. Let us make no mistake: the stumbling block is the failure of paramilitaries, loyalist and republican, to decommission weapons. Does the Prime Minister agree that it is now up to those paramilitaries to make the process work, and, if they fail to do so, we should set the maximum penalties for them?

The Prime Minister: I thank the right hon. Gentleman for his support. The bipartisan support in the whole process has been extremely important in taking it forward, and I hope that it continues, because it will be difficult to make progress without it.

The right hon. Gentleman said that decommissioning has not happened, but the Executive has not yet been established, and the decommissioning issue is precisely what held it up. People point out that we said that representatives could not sit in the Executive until we were sure that they had given up violence for good—that is what I said during the referendum campaign, and that is, of course, precisely why they are not sitting in the Executive. We need to deal with that issue, which is why we have tried to reach agreement in the way that we have.

I entirely agree—it is important to emphasise this point—that loyalist paramilitaries have to decommission too. There can be no question of saying that it is an imposition only on republican paramilitaries; it is in respect of all paramilitary groups in Northern Ireland.

The right hon. Gentleman said that there were understandable anxieties and that people would be expected to admit to an Executive people who are fully armed and to take their word on trust. It is important to make two points.

First, the benefit of the agreement that we have is that people would not be able to carry on sitting in an Executive fully armed. They would have to be agreeing to a process of decommissioning that got rid of all the weapons by the agreed date, which is May 2000. The problem with the Hillsborough declaration was that it asked for one token act of decommissioning, and no guaranteed process after that.

Secondly, people say that we must take Sinn Fein on trust. The whole agreement of last Friday is based on the simple principle that neither side will take the other on trust. We may as well face up to that; that trust does not exist, for perfectly understandable reasons. Therefore, the purpose of the agreement is to build in guarantees, certainty. So, there is the certainty for the republicans that the inclusive Executive will be set up, and the certainty for Unionists that they will not be expected to carry on sitting in the Executive with those who are not giving up their weapons. We have tried to build in certainty, not trust.

The right hon. Gentleman asked us to say that, if there were to be a default by Sinn Fein, we would invite the other parties to go forward without it. I say categorically that we would certainly be doing that—as long as people understand that I cannot force parties to form a Government together. I cannot force some of the parties now to get into government with the other parties, but I can certainly provide the basis for a way forward and say that the party that is in default in the agreement should be the one that is punished. There is no doubt about that; we can make that very clear.

The release of prisoners is governed by the legislation that is set out, and a range of factors are to be taken into account, including the issues about which we are talking. I make the following point about maximum penalties. At the present time, we simply do not know whether people will decommission. My point is, whatever they say, whatever they have said to us and whatever indications they have given, I understand perfectly well why people will not accept undertakings, words, statements or any of the rest of it. If we do not put this agreement to the test and find out literally within days whether decommissioning will happen, we will never know. The republicans will say, "We might have, if we had been given the chance," and the Unionists will be left without the knowledge of whether the republicans ever would have done so.

I believe one thing absolutely and sincerely: we will never get this Executive to work unless the obligation to decommission is accepted and carried through. In the legislation, we must build in proper failsafes and guarantees so that we give this thing a chance to work, but do not leave the Unionists or, indeed, any other democrats, in an Executive in which people keep a private army and intend to use it.

Mr. Paddy Ashdown (Yeovil): I congratulate the Prime Minister, the Taoiseach and all others involved on retrieving hope from what looked like pretty irretrievable despair at the end of last week. Does not the Good Friday agreement remain the only blueprint for peace in Ireland, and the Belfast agreement the only route to it? With that in mind, is it not important that all sides, perhaps especially the Unionists, consider this agreement in detail rather than peremptorily dismissing it, as that would damage not only peace in Northern Ireland but very possibly the Unionists' cause as well? Does the Prime Minister agree, however, that he has some work to do to reassure the Unionist community about it? Will he therefore provide a few more details on the following three areas?

First, will the Prime Minister give more details about the timetable for decommissioning and the role of General de Chastelain? Secondly, will he be a little more precise about how long the Unionists will be asked to sit in an Executive before the IRA gives dependable and concrete assurances by way of action on its commitment to decommission before 2000? Lastly, will he assure us that the failsafe will not bring down the whole devolutionary structure and that, if one party defaults—whether IRA or any other terrorists—the others will not only be able to go ahead but will do so with the Government's help, support and good wishes?

The Prime Minister: First, it is important again to point out that there will be no decommissioning if we do not find an agreement to move this issue forward. The alternative to last Friday's agreement is not faster, quicker decommissioning, but no decommissioning. Secondly, the timetable for decommissioning is laid down by General de Chastelain, but he has already given indications of the timetable that he would expect and when the reports are to be delivered—the first, as I said, in September and subsequently right up to May 2000. Incidentally, if he wishes, he can lay down an even quicker timetable for decommissioning. Anybody who has had anything to do with General de Chastelain realises that he is, rightly, respected by all sides, both as independent and as extremely concerned to ensure that decommissioning is actually delivered.

It is as well that the right hon. Gentleman raised the third point; it is not that Sinn Fein must provide a statement to the de Chastelain commission within days of the formation of the Executive, but that the paramilitary group itself—the IRA—must do so, as must the other, loyalist, groups. Most people would recognise that as a pretty significant event. We shall know that within days, and then, some weeks down the line, we shall know whether actual decommissioning is occurring. During that time—literally the next few weeks—we shall be able to see whether those undertakings are honoured.

Finally, in relation to the failsafe, yes it is extremely important to recognise that, in order to give the automatic guarantee, we have to suspend the institutions, but, of course, we shall then find a way forward that ensures that the punishment is visited on the defaulting party, whoever that defaulting party may be. That is obvious; it is right and just.

Mr. David Trimble (Upper Bann): I echo the words of the Leader of the Opposition in thanking the Prime Minister and, indeed, Taoiseach Ahern for the amount of time that they have devoted to this issue, and for spending all of last week in Belfast. It is appreciated and, as the Prime Minister is aware, it is also appreciated by my Assembly colleagues—even if we differ slightly as to the outcome of matters.

The Prime Minister knows that my Assembly colleagues and I want to see devolution, and that we want to see actual decommissioning occur. However, he also knows that, in asking us to include Sinn Fein in an Executive in advance of decommissioning, he asks us to sacrifice the democratic principle to expediency. He is asking us to take a gamble with an ineffective and unfair safety net. That point has already been made. The question is: why close all the institutions? In effect, why give a veto to the paramilitaries? That would mean that, if the IRA does not like the results of, say, the Patten commission on policing, it could close things down, simply by delaying decommissioning. It also gives other paramilitaries a veto.

What will happen if the UDA, the UVF, the LVF or the INLA decide that they will stop decommissioning in order to destroy all the institutions of the agreements? That is not an effective remedy. The remedy should be directed towards the parties in default. With regard to the other paramilitaries, closing the Executive is no penalty; the only possible penalty has to do with prisoners. That has to be looked at again.

Finally, does the Prime Minister recall that, at the beginning of last week, he was seeking a series of declarations—especially one from Sinn Fein that the war

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was finished, over, done with and gone? He also wanted from Sinn Fein a declaration that it will succeed in persuading those with arms to decommission. He was also seeking from the IRA a statement that, in effect, accepted the Sinn Fein statement. What happened to those declarations?

The Prime Minister: I thank the right hon. Gentleman for his kind words about the time that we spent in Belfast. I do not regret any of the time that I spend in Belfast—occasionally, I wish it were slightly more productive. I also thank him for the constructive way in which he has engaged in the negotiations. I entirely understand the anxieties that he rightly represents.

If the issue is the democratic principle that we cannot sit in government with people who have a private army in reserve, every democrat would agree with that. The reason why I believe this process to be superior to Hillsborough is that, in the Hillsborough declaration, we could have had a token act of decommissioning, but we could still have been sitting in an Executive with people who had a private army. After all, if they get rid of one load of weapons, that is not the same as getting rid of everything. It is, therefore, better to have a process of complete decommissioning; I think that the right hon. Gentleman would accept that. The issue is simply how it starts. I hope that I have provided some assurance as to that by saying that the process of decommissioning, which begins with the explicit statement on behalf of the paramilitary organisation, has to start within days, otherwise, we go back immediately and rewind the position.

The second point that the right hon. Gentleman makes is about the ineffective and unfair safety net. Surely that is precisely what we should try to discuss in the coming days, because there will have to be legislation, which will be properly scrutinised, and the points that he is making—perfectly fairly—need to be taken into account. For example, he asks why groups that have not decommissioned should have a veto over the process. In a sense, one could say that, by not decommissioning now, they have a veto over the process, but I think that our way of dealing with it prevents them from having a veto because the suspension is not the only thing that happens. We then go into a review, and then we can invite the parties to take a different way forward. So we do not—and should not—end up in a situation where the defaulting party manages to bring punishment upon everyone else and no punishment upon itself. I agree with that. Again, we are happy to look at a way that we can deal with that objection.

In respect also of the loyalists, I think that it is very important to realise that, although the loyalists will not be part of the Executive, none the less they have the obligation to decommission. The entire range of factors that must be taken into account are very clearly set out in the legislation on prisoners, and I would refer back to them in detail.

The right hon. Gentleman also asked whether it would be right to end up closing all the institutions. There was an implication there—this may be a misunderstanding—that all those institutions would come to an end and never be revived. That would not be my view as to the way forward. There must be a suspension—otherwise, the Unionists are left on the Executive with those who have refused to decommission or are in breach of their agreement—but then we must find a way forward that ensures that the institutions do work again, but work in a way that is consistent with the democratic mandate of the Ulster Unionist party and the other parties, ensuring that those parties in default pay the price for being in default.

Finally, in relation to the declarations by Sinn Fein and the IRA, I have set out where the IRA would have to make its statement, but I want to make this point very, very clear indeed. We could have decided to go with a process that depended on words. We have decided not to do that. This process depends on actual decommissioning happening—actions. If there are not actions, the failsafe kicks in immediately. So I am not asking us to be in a situation where we are expecting democrats to sit in the Executive with organisations linked to paramilitary groups, which then can simply sit there, keeping their weapons, no one being able to do anything about it. We are not saying that words are the protection. There has to be actual decommissioning. If there is not actual decommissioning, the failsafe kicks in, and then we can find a different, and better, way forward.

Mr. Kevin McNamara (Hull, North): I congratulate my right hon. Friend and the Taoiseach on the tenacity of purpose that they showed over the past week and their determination to try to bring to an end more than 30 years of mayhem, death and destruction. I also pay tribute to my right hon. Friend the Secretary of State, who has been most unfairly pilloried during the past few days. She has the admiration and support of every Labour Member.

Can my right hon. Friend confirm that any Executive must have the support of both sides of the community; that on each side of the community more than one party must agree with what is going on; and that, therefore, it does not necessarily follow that there could be an Executive without Sinn Fein?

Secondly, can my right hon. Friend confirm that, for the first time, he has got from Sinn Fein an understanding that he has regarded as being one of the greatest movements of position in politics in Ireland for many, many years? That must be put to the test, and the way that he has suggested puts it to the test. Anyone who would seek to throw that away in a fit of pique or because they wanted every t crossed and every i dotted would, if they persisted in that, be subject to a great deal of deserved criticism from all the peoples in these islands.

The Prime Minister: First, I think that I know better than anyone else what my right hon. Friend has had to go through over the past two years in doing her job. I know of the difficulties that it has caused her from time to time. I can assure the House that I am second to none in my admiration for the way in which she has done her job.

Secondly, my hon. Friend the Member for Hull, North (Mr. McNamara) made a very correct point about both sides of the community. We should never forget that more parties than Sinn Fein and the Ulster Unionists are involved in these matters. There are other political parties with a mandate—most notably there is the SDLP, but there are others which also need to be taken account of.

Thirdly, as for Sinn Fein and the statements that it has made, I believe that it is prepared to make this historic shift. However, I do not believe that the Unionists should

have to rely upon that. That is why I think that it is right to put it to the test. The detail obviously matters as well, and I hope that it is properly scrutinised. I only ask people to let us have a discussion about the detail to see whether the justifiable anxieties and concerns can be allayed.

Mr. John Major (Huntingdon): It is possible that we may be near the conclusion of a very long trail. I hope that everyone will look clearly at both the opportunities and the difficulties that lie immediately ahead of us.

The Prime Minister and the party leaders have done extraordinarily well to expose the questions that were always going to be there at the end of the day—will the IRA decommission and can the word of Sinn Fein bind the IRA and its future actions? If the answer to those questions is yes, I think that peace is at hand and that democracy has a triumph. If the answers are no, the Prime Minister is surely right to say that Sinn Fein cannot sit on the power-sharing Executive. In those circumstances, I would seek some clarification.

The Prime Minister said a moment ago that the Executive and perhaps the Assembly would be suspended. Will he confirm that that would happen very briefly? Will the right hon. Gentleman tell the House whether the Irish Government agree with that policy, and with the Executive and the Assembly then continuing without Sinn Fein? Will he tell the House also whether he has discussed or will discuss with all the political parties, including most importantly for this purpose the Catholic majority party, the SDLP, whether they would remain in an Executive and an Assembly were Sinn Fein to have been removed from it for not decommissioning its arms? That is a crucial point.

As the Prime Minister will know, the fear in Ulster is very straightforward. It is that Sinn Fein will enter the Executive, the IRA will not then disarm, Sinn Fein will assert that it is separate from the IRA, and that there will then be pressure for it to remain on the Executive for fear that its removal would be the trigger for a fresh bout of violence. That is the fear of many people in Ulster. Upon that, I found the Prime Minister's statement of a few moments ago to be encouraging. However, will he be absolutely clear that he would not permit that to happen and that the legislation that will come before the House will ensure by its provisions that that could not happen? If that were to be the position, I think that many of the fears in the House and beyond would be removed.

Finally, does the Prime Minister agree that political pressure from London and Dublin to try to ensure that we can finally produce a peace at the end of a long process is entirely justified, but that it should focus on the paramilitaries and not upon the democratic political parties?

The Prime Minister: First, I thank the right hon. Gentleman for his work; he really began this process. I know that there is a great deal of gratitude for all of the work that he did on this issue while Prime Minister. I think that I can confirm all of the points that he has raised. It is the position of both Governments that it is open to the parties to continue in an Executive without Sinn Fein. I simply repeat that I cannot force people to sit on the Executive together, but it is open to them to do so. The SDLP must make its position clear, but I understand that it is prepared to move forward without Sinn Fein should the circumstances be such that Sinn Fein is clearly the defaulting party. However, the SDLP must make its own statement on that.

I entirely understand the right hon. Gentleman's point about the fear in Ulster. He will know that people would not want the situation to be left in the hands of the two Governments. That is because they know that the two Governments will be subject to pressures. They would know and would fear—I think that this would be the fear of Unionists—that the two Governments would be under such pressure to keep the process going on any basis that even if Sinn Fein defaulted, some way would be found of ignoring the default. That is why I have suggested that the decommissioning process is in the hands of the independent commission. The commission will lay down the timetable for decommissioning and certify every step in the way. There will be an automatic kicking-in of the failsafe should the commission not certificate that progress is being made or should it certificate that progress is not being made. In other words, there is no possibility of the Unionists being made to sit in the Executive with Sinn Fein, if Sinn Fein is in breach of the undertakings that it gave.

The purpose of making sure that the initial statement, within days of devolution, is on behalf of the paramilitary organisation is to get rid of the notion, once and for all, that a statement by one of the political parties linked to those groups is enough. It is not. The statement must be from the paramilitary organisation, it must be, in the words that we have set out, "clear and unambiguous" in the intention to decommission, and it must be combined with the appointment of a representative to ensure that that happens. We are guarded against the very point that the right hon. Gentleman rightly says we should be guarded against.

It is worth quoting the conclusion of an editorial today in the *Belfast Telegraph*, which is ready to be pretty sceptical about most of the deals and agreements. It states:

"On balance therefore, we believe that the deal is worth a try, worth further examination and refinement but certainly should not be subject to rejection out of hand."

That is what the *Belfast Telegraph* has written today, and I ask all parties to try to ensure that that is the case.

Mr. David Winnick (Walsall, North): As the former Prime Minister, the right hon. Member for Huntingdon (Mr. Major), who started the peace process knows full well, during the 18 years that we were in opposition, we supported the then Government at every stage over Northern Ireland, and we did so because it was in the national interest. Will my right hon. Friend consider letting the Ulster Unionists know, when he next meets them, that the large silent majority in Britain has always supported the wish of most people in Northern Ireland to remain part of the United Kingdom, but that they undoubtedly support the Good Friday agreement?

If there is slightest doubt about the wishes of the vast majority of British people with regard to the Good Friday agreement, could there be an opportunity to allow people on the mainland to vote, as people voted in Northern Ireland and in the Irish Republic? If there were such a vote, it would be even larger than in those two places for an agreement that leads to the possibility of a permanent peace in Northern Ireland.

The Prime Minister: I thank my hon. Friend for his support. The Good Friday agreement was agreed in

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referendums north and south. I believe that with the certainty that we now provide about the link between the Executive and the decommissioning process, support for the agreement should be reinvigorated.

Mr. Tom King (Bridgwater): Is the Prime Minister aware that his comment that there is a total lack of trust between different sides can be readily endorsed? Does he recognise that, because of that lack of trust, it is difficult to have much confidence in decommissioning, certainly if one reads the comments of General de Chastelain? None the less, the House would accept that the Prime Minister may have sources of information and further knowledge that he cannot share with the House which give him confidence that there will be the seismic shift that he described, but which is not apparent in any of the documents currently available to us.

I still have one reservation. The Prime Minister speaks of the failsafe kicking-in, but it seems to me that there is no failsafe until 20 May, which is the moment at which it would become clear that decommissioning had not taken place. Unionists therefore face the prospect of sitting in an Executive during that period.

Against that background, the last words of the *Belfast Telegraph* editorial that the Prime Minister quoted, about the need for further consideration and refinement, not outright rejection—I strongly agree with that—and the reassurance for Unionists to which the leader of the Liberal party referred, are extremely significant.

Does the Prime Minister agree that it is sad that no member of the SDLP is to be seen in the House today? I saw the television broadcast which implied that there were only two political parties in Northern Ireland, in the shape of the Unionists and Sinn Fein, but I believe that the role of the SDLP as the majority non-violent nationalist party is very important.

The Prime Minister: I agree with the point that the right hon. Gentleman makes.

In relation to the detail, I should explain that the failsafe device kicks in at several stages up to May 2000. That is the benefit of the agreement that we have. Under the Good Friday agreement, there was no failsafe up until May 2000. Now we have agreed that, within a few days, the decommissioning process has to start with the statement of intent. After that, there will be the first report on actual decommissioning. Then there will be further reports all the way through to May 2000.

The Unionists will not be left in the Executive with Sinn Fein and the IRA doing nothing about weapons. The decommissioning process will get under way virtually straight away and has to be followed through all the way to May 2000. That is a far tighter timetable and agreement than we had before and they are in the hands of de Chastelain. As I said in answer to questions earlier, people would not accept it if they were in the hands of the two Governments, but most people who have talked to General de Chastelain know that he is deadly serious about decommissioning happening. If it does not happen, he will not certify it as happening.

The right hon. Member for Bridgwater (Mr. King) rightly said that General de Chastelain makes it clear in his report that he is not yet fully satisfied that decommissioning will happen. Correct. Never mind private assurances that are given—I do not take the private assurances that are given either. The only thing that will do for me is decommissioning actually happening. That is why we have set out this process, but if we do not test it out, we will never know whether decommissioning is to be delivered or not.

Perhaps I should make this point as well: people will say, "Why don't you get the decommissioning first and then the Executive?" Under the Good Friday agreement that is put the other way round. It is not a precondition to establishing the Executive that there should be decommissioning, but it is an obligation. We have to marry those two obligations, which is why we have attempted to do it in the way that I have described.

Let us be clear: we want republicans to succeed. If they can bring about decommissioning that will be a huge step forward for everyone. To be fair to them, they have always made it clear to me that they can achieve it if it is in line with the Good Friday agreement, but not if it is a departure from it. That is why they rejected Hillsborough, even though in many ways it offered an easier deal for them.

Mr. Tony Benn (Chesterfield): As the last remaining Member of the House who was in the Cabinet 30 years ago when the troops were sent in—one of many unsuccessful attempts to impose peace in Northern Ireland by force from London—may I add my sincere congratulations to the Prime Minister on the time, effort, patience and imagination that he and my right hon. Friend the Secretary of State have shown and for which there is absolutely no precedent from any previous Prime Minister? Therefore criticism from the other side of the House should not concern him too much.

Will the Prime Minister consider the fact that, whatever the setbacks and difficulties, and there will be both, he should retain two principles at the forefront of his mind? I am sure that he will do so. First, peace and justice in Northern Ireland depend on the involvement of the two communities, and Sinn Fein has the democratic legitimacy of the ballot box. That is the basis of its entitlement to consideration. Secondly, will he cling, above all, to close relations with Dublin? For the first time since partition, London and Dublin jointly oversee the prospects of peace in Northern Ireland. That, along with a settlement of the difficulty that he has described, offers our best hope for a future in the next century quite different from the tragedy that has befallen Northern Ireland in our own lifetime.

The Prime Minister: I thank my right hon. Friend for his kind words.

This is a clear agreement—a deal. For the nationalist and republican communities, there has to be justice and equality. There has to be an end to discrimination. There has to be a genuine sense of sharing power and responsibility. In return, however, once that full ripening of democracy comes about, all people clearly have to give up the notion that violence can be run alongside the ballot box. From now on, people have to make a choice. The next few weeks are the moment of choice for Northern Ireland. People have to decide whether they are prepared, in return for justice and equality, to forswear the use of violence for ever. I hope that they make that choice.

Our relations with the Irish Government offer an opportunity to provide a way forward. The Irish Government and Prime Minister are entirely sincere in

wanting to make sure that violence and the gun are taken out of the politics of Ireland for ever. We should work with them to ensure that that is so.

Mr. Peter Brooke (Cities of London and Westminster): If there is any delay in disarming and decommissioning by loyalist paramilitaries, who would not necessarily be adversely affected by that decision, would General de Chastelain have any latitude in the certificates that he gives to others whose behaviour might be affected?

The Prime Minister: No. The obligations stand alone for each group. Each of them has a responsibility to decommission, and for one to say that it would not decommission would give no excuse to others. Everyone has the same obligation, and the penalties can be exacted accordingly.

Mrs. Louise Ellman (Liverpool, Riverside): I congratulate the Prime Minister on his determination and perseverance in the inevitably complex pursuit of peace in Northern Ireland. While the achievements of the Good Friday agreement necessarily focus on the saving of lives, does he agree that it is important to note openings for increased standards of living for the people of Northern Ireland that are emerging from the new east-west trade routes developed as a result of the agreement? In particular, the Irish Business and Employers Confederation, the Northern Ireland CBI and the north-west development agency are developing links at present.

In view of the overwhelming importance of saving life, increasing living standards and establishing normality of life for the people of Northern Ireland, does my right hon. Friend agree that the House should support his statement, and that—in and out of Parliament—we should support groups who have difficulties, rather than seeking to exacerbate the problems?

The Prime Minister: I agree entirely with my hon. Friend. The potential for jobs, investment and improved living standards is immeasurably increased by a viable peace process. Northern Ireland has an enormous amount to offer inward investors and companies that wish to do business. People should be able to invest in Northern Ireland in the knowledge that a proper political process is under way.

Sir Brian Mawhinney (North-West Cambridgeshire): I, too, commend the Prime Minister on his diligent search for an agreement.

General de Chastelain indicated in his report that he asked the paramilitary groups and parties to respond to two questions—were they committed to disarmament within the terms of the Good Friday agreement, and when would the Government receive details of the modalities? Does the Prime Minister recall that General de Chastelain said that no response was received from either the IRA or the UDA by the 28 June deadline? Will the Prime Minister give us some insight into the discussions held since 28 June with the IRA, either by General de Chastelain or by Ministers, which have enabled him to give so much more encouraging a statement to the House today?

The Prime Minister: I think, again, that is vital to stress certain points. The right hon. Gentleman is absolutely right to say that de Chastelain made it clear that he could not say at present that there would be decommissioning. That is why the agreement that we have entered into is not dependent on anyone's saying that there will be decommissioning, but, in the first instance, on the paramilitaries—whether the IRA or the loyalists—giving a statement of intention to decommission, which will be followed by a declaration of satisfaction from the Independent Commission on Decommissioning that that is so.

Actions are what matter. People say that I have received great assurances from Sinn Fein or the IRA that they are about to move ahead, and I believe that the political leadership of Sinn Fein wants the process to work. But my belief is not enough, and assurances are not enough. We have constructed a process in which, unless assurances translate into deeds, people will not sit in the Executive alongside democrats. That is the important point to remember. All sorts of discussions were held last week, and all sorts of assurances given. However, we have learned often enough in Northern Ireland that we cannot pay attention simply to assurances. Unless the assurances are followed by deeds, there is no deal.

Mr. Tony Worthington (Clydebank and Milngavie): I should also like to congratulate the Prime Minister and all those involved in these strenuous negotiations. I should particularly like to congratulate the Official Unionists on what they have achieved in the past three years. If one had said three years ago that the Official Unionists had achieved the principle of consent, backed by the people of Ireland, north and south, in a referendum, it would have been difficult to believe. If one had said that there was to be a massive devolution of legislative powers to Northern Ireland, it would have been difficult to believe. Now all the IRA's armaments and other weapons may be decommissioned by next May. There are failsafes. Does the Prime Minister agree that, if the Official Unionists go along with this agreement, it will be the most miraculous negotiation that anyone has ever achieved?

The Prime Minister: It has not happened yet.

I thank my hon. Friend for the work that he did as Labour Opposition spokesman on Northern Ireland. If we do not put this to the test, we will never know whether decommissioning would have happened. That is why it would be foolish to throw away the chance of getting the decommissioning of all paramilitary weapons by May 2000. My hon. Friend is right to say that many of the issues are already resolved. The issues that have torn apart negotiations in Northern Ireland for years and years, such as the principle of consent, the idea of an Assembly, and the changes to the Irish constitution, are now resolved.

Mr. Michael Howard (Folkestone and Hythe): I, too, join in the tributes that have been paid to the Prime Minister for his persistence. Does not he accept that the complexities that he has painstakingly explained to the House, however well-intentioned they may be, would be wholly unnecessary if the men of violence were prepared to lay down their arms? What makes the Prime Minister suppose that, if they have genuinely given up violence but refuse to lay down their arms now, so that the Executive can commence, they will lay down their arms in days, weeks or months from now?

The Prime Minister: The simple answer to that question is, if they do not, they will not sit in the

[The Prime Minister]

Executive with the Unionists. It is up to them what they do now. They have always said that they will decommission in the context of the implementation of the agreement and the establishment of the institution. Let us see it. If it does not happen, they will not sit in the Executive with the Unionists. If it does happen, we should all be grateful. We must put it to the test. We will never get out of this situation unless we finally throw down the challenge to them, put them to the test, and see whether the test is met.

Mr. Jeremy Corbyn (Islington, North): I, too, join in congratulating the Prime Minister and the Secretary of State on their patience and expertise in all these negotiations, and on the prize that that offers of peace in Northern Ireland and long-term peace for all the island of Ireland. I am sure that he recognises the enormous movements that have been made by the nationalist and Unionist communities in reaching this close position in which we may get long-term peace. I am sure that he, too, wants to see a non-military Northern Ireland in the future. Were there any discussions in the past week or will there be anything in the legislation that he proposes to introduce on limiting the private ownership of licensed arms and the large number of gun clubs in Northern Ireland? Having reached a point at which decommissioning is a real possibility, we surely would not want to see a growth of private arms, which could lead to the destabilisation of a peaceful Ireland in the future.

The Prime Minister: I thank my hon. Friend for his kind words. The tricky issues that he raised in the latter part of his question should be resolved in the longer term. The immediate task is to establish a framework which spells out a guarantee for the parties. That guarantee will allow us to ensure that both devolution and decommissioning occur. That is the primary task.

Finance Bill [*WAYS AND MEANS*]

CAPITAL ALLOWANCES (FIRST YEAR ALLOWANCES)

Resolved,

That provision (including provision having retrospective effect) may be made in the Finance Bill restricting the expenditure on machinery and plant for use in Northern Ireland in respect of which 100 per cent. first year allowances may be made.—*[Mrs. Roche.]*

OIL TAXATION (ANTI-AVOIDANCE)

Resolved,

That provision may be included in the Finance Bill about—

(a) the receipts which are to be treated as tariff receipts or disposal receipts attributable to an oil field;

(b) the persons who are to be treated as participators in an oil field; and

(c) the time for payment of petroleum revenue tax.—*[Mrs. Roche.]*

FINANCE BILL [*MONEY*]

Queen's recommendation having been signified—

Resolved,

That, for the purposes of any Act resulting from the Finance Bill, it is expedient to authorise any increase in the sums payable out of or into the National Loans Fund attributable to any provision of that Act relating to borrowing from the General Account of the Commissioners of Customs and Excise or the General Account of the Commissioners of Inland Revenue.—*[Mrs. Roche.]*

FINANCE BILL [*WAYS AND MEANS*]

CHARGEABLE GAINS: ABSOLUTE ENTITLEMENT TO SETTLED PROPERTY

Resolved,

That provision may be made in the Finance Bill amending section 71 of the Taxation of Chargeable Gains Act 1992.—*[Mrs. Roche.]*

GOODS FOR SALE ON BOARD SHIPS OR AIRCRAFT

Motion made, and Question proposed, pursuant to Standing Order No. 52(1)(b),

That provision may be made in the Finance Bill amending section 1 of the Customs and Excise Management Act 1979 as respects stores.—*[Mrs. Roche.]*

4.26 pm

Mr. Patrick McLoughlin (West Derbyshire): Will the Financial Secretary tell us why she considers the motion to be necessary?

4.26 pm

The Financial Secretary to the Treasury (Mrs. Barbara Roche): I certainly will.

We shall have a number of debates today on the matters covered by the motions, and during those debates, we will explain exactly why we are dealing with them in this way. It is, of course, natural for representations to be made during the passage of a Finance Bill, not only by hon. Members on both sides of the House—

Mr. McLoughlin: Will the Financial Secretary give way?

Mrs. Roche: Not at this stage. It will be my great pleasure to give way to the not-so-silent Whip when the time comes.

As I was saying, it is right for representations to be made not only by hon. Members on both sides of the House, but by industry. That has been the normal course of events during not only this Bill's passage, but the passage of Finance Bills under the Conservative Administration. Being a listening Government, we listen and take representations into consideration.

4.28 pm

Mr. Oliver Letwin (West Dorset): In due course, we shall debate the substance of the new clauses that deal with goods for sale on board ships and aircraft, but this motion paves the way for that substantive discussion. I think that this an appropriate time for us to ask a number of pertinent questions relating to the amounts of the taxes and duties being raised, which are of some significance, and which we debated to an extent when similar matters dealt with in statutory instruments came before the Standing Committee last week.

Can the Paymaster General—or the Financial Secretary, on her behalf—tell us how much money will be raised by this and associated measures? Can she also say how she envisages the money being used? If, as seemed clear in Committee, it is to go directly into the Consolidated Fund—as we would expect—what projections have been made as part of the forward look, how far have the figures already been incorporated in the Chancellor of the Exchequer's projections, and will any revisions to those projections be required?

In Committee, the Paymaster General waxed eloquent about the Government's difficulty in forecasting the financial effects with any degree of accuracy. *[Interruption.]* As the Financial Secretary says, from a sedentary position, she explained that it would be difficult to forecast the total effect of the change relating to duty-free sales. I assume that this measure will form part of those arrangements. If there is a difficulty of forecasting, how can appropriate numbers have been figured into the Chancellor's calculations? However, if numbers have been figured into his calculations, how can there be the difficulty of calculation to which she alluded during the Committee's consideration of the measure?

The answers to those questions will be helpful when it comes to consideration of the subsequent matters that are associated with the motion, and which fall to be debated a little later.

4.30 pm

Mr. David Wilshire (Spelthorne): I have a couple of questions to which I would welcome an answer when we debate the substance later. Both relate to the amount of money that will be raised by the measures.

The first relates to something that the Minister said in the Eighth Standing Committee on Delegated Legislation last week. One of the concessions that the Government said that they had obtained was that items that are dutiable, but consumed on board an aircraft or ship, would continue to be "free of tax"—I quote from the *Hansard* of the Committee. Before we start our debate later, may we be told whether it is free of tax—VAT—or free of VAT and duty? We need to have that point clarified, so that, when we debate the substance, we shall know exactly how much the concession is worth. If it concerns only VAT, it is hardly worth anything. If it concerns VAT and duty, it is a significant concession. That is something that we must debate, but we need the financial facts first.

On the other matter, I would be enormously grateful if, at the start of the debate on the substantive matters, the Government could let us have a list of those ports and airports that are geographically within the European Union, but to which the measures would not apply. What is the value of that concession, or exemption from the regulations that they seek to bring in? I should be grateful for answers to both those questions before we start the main debate.

4.32 pm

Mr. Michael Fabricant (Lichfield): I, too, would like to express my concern that there has been insufficient analysis of the split between duty and VAT, which my hon. Friend the Member for Spelthorne (Mr. Wilshire) has already mentioned. In particular, I wonder whether the resolutions would apply to airports and ports, or only the vessels and aircraft themselves. If they apply to airports, in the collection of VAT, how will a distinction be made between travel within the European Union and transportation that is undertaken by passengers outside the European Union—where, of course, the issue will be duty free?

The Minister will be aware that, for example, terminal 3 at London Heathrow has aircraft travelling to the European Union, to other parts of Europe that are not part of the EU and to the United States of America. Has she made any analysis of the burden on shops in trying to determine whether a boarding card is for the EU or outside the EU? Has she made any projections of how much extra revenue will be derived gross over the next five years from the collection of VAT and/or duties, compared with the actual disbursements by the state over the next five years as part of our contribution to membership of the EU?

Has the Minister estimated the costs that will be incurred by Government in ensuring that the new regime will be administered properly? Presumably, extra staff will be employed by Customs and Excise to ensure that the duties are maintained correctly. If that is so, what will be the marginal cost of employing extra staff for each of the next five years? For that period, what burden will the state—and, therefore, taxpayers—bear in implementing the measure?

4.35 pm

Sir Teddy Taylor (Rochford and Southend, East): Will the Minister tell us the implications for our further debates of approving motion 5? Motion 1 states that provision may be made in the Bill

"including provision having retrospective effect".

However, in the paper submitted on 12 May, in Brussels, to the code of conduct group, the Minister said:

"This Scheme has been legislated but not yet activated."

If there has been some error, will it have an impact on our further debates, bearing in mind that there is provision for retrospectivity in something that has not yet been—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I remind the hon. Gentleman that we are debating motion 5, not motion 1. As far as I can see, there is nothing in motion 1 about a retrospective effect.

Sir Teddy Taylor: I am not questioning that point. I am asking the Minister what relevance the motion will have to our future debates. I was simply citing the matter as an example of something that has already happened.

4.36 pm

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): Has my hon. Friend the Paymaster General had an opportunity to look back over the papers from any previous Government who, 15 years ago, were aware of what would happen on the matter? Has she had access to the calculations that were made then? Will she also tell us whether she has had any access to the terms of reference of BAA plc on its responsibility being divided between the administration of airports and the creation of shopping malls?

4.37 pm

Mr. Edward Leigh (Gainsborough): Motion 5 is important, as it could have a significant effect on not only the public, but on Ways and Means motions generally and on the Government's finances. It is a thoroughly unpopular measure, which is being foisted on the British people against their will. However, the matter has now been settled and we cannot argue about it.

The Government pray in aid the fact that the measure will have a significant impact on Government revenue, as those who are affected by it will have to pay duty. Nevertheless, today, I think that we have to hear a bit more from the Minister about the precise revenue implications of a thoroughly unpopular and draconian tax increase being imposed on those who are simply trying to buy something on board a ship or aeroplane.

In this short debate, the Government might also make clear the precise implications of the measure for the various tax regimes as—now that we are getting rid of duty free—even the shortest journey by sea or air might pass through different tax regimes. It is not clear how the measure will be implemented in practice, or how the tax will be levied.

Therefore, not only will the public be losing a highly valued privilege—which they have enjoyed for a very long time—and the Government, by underhand means, be receiving revenue that they had not previously expected, but the public will be put to various inconveniences.

Mr. Fabricant: My hon. Friend mentioned implementation of the measure and various tax regimes. Does he accept that there could be very real difficulty in collecting duty from travellers on a flight going to a European Union destination and then on to a non-European Union destination? How does he imagine that Customs and Excise will ensure that the correct duties are applied at the correct time?

Mr. Leigh: My hon. Friend made that point in his excellent earlier comments. It certainly has not been made clear, to the House or the public, how that problem will be resolved. Clearly, different rates will apply according to whether a flight or sea journey originates from a European Union destination or from a non-European Union destination. However, a part of some air or sea journeys originating in a non-European destination will be made in the European Union. What tax will people pay on those journeys? The public could be very confused. The situation is not acceptable.

We should also consider the potential for the Exchequer to lose revenue because people in Dover and the Heathrow area will lose their jobs as a result of the loss of duty-free concessions. We now hear that such has been the profit margin of many duty-free shops that they can apparently afford to ensure that the public buy their whisky or cigarettes for the same prices as before. That may be the case, but the Government cannot rely on it. They must come clean and explain the revenue implications.

Mr. Fabricant: Does my hon. Friend share my concerns and those of my hon. Friend the Member for Spelthorne (Mr. Wilshire) about the confusion in the collection of duties between EU and non-EU areas, and the considerable doubt about the sums that will be collected, depending on whether the duties concerned are VAT duties or excise duties in the normal sense of the word? Does he agree that it will be interesting to hear whether the Paymaster General is able to answer my questions about the differentiation between the collection of excise and VAT duties?

Mr. Leigh: The differentiation between excise and VAT duties is very interesting. My hon. Friend the Member for Rochford and Southend, East (Sir T. Taylor) also referred to it. I hope that the Paymaster General will be able to enlighten us. I have certainly received no enlightenment so far.

Mr. Letwin: My hon. Friend's remarks bring to mind a further oddity. Does he agree that the clause to which this motion refers would reduce the revenue accruing to the Exchequer? Is it not odd to have such a Ways and Means motion?

Mr. Leigh: I am not sure whether it is very usual. I do not understand why the Government are apparently reducing the revenue coming to the Exchequer. I cannot believe that that is their intention. I am sure that there is some misunderstanding.

What will be the effect of the revenue from duty free not being available for reinvestment in terminals and the transport network? That useful source of revenue will now be lost—

Mr. Deputy Speaker: Order. I must counsel the hon. Gentleman that he is going far too far.

Mr. Leigh: I apologise, Mr. Deputy Speaker. All those points have implications for the Ways and Means motion. If that revenue is no longer available, the Government must make up the shortfall somehow. The motion is incredibly important and we should have a proper debate on it. It should not just go through on the nod as yet another Ways and Means motion. The implications for the Exchequer are enormous. The public are being made to suffer. The Government are introducing an underhand tax rise which the public did not ask for. It is incumbent on the Minister to explain the implications for Ways and Means.

Mr. Fabricant: My hon. Friend is right to say that the issue should not go through on the nod. Was it not the Speaker's decision that up to 45 minutes should be allowed for debate on each of the Ways and Means motions? Would it not be an insult to the House if we merely nodded them through?

Mr. Leigh: We saw earlier that the Minister was trying to nod things through at the rate of an express train,

moving motions formally. That is not acceptable. The British people demand explanations from the Government and we intend to get them in this short debate of a mere 45 minutes. The public are angry and want an answer. It is incumbent on the Minister to give an answer from the Dispatch Box. If she does not, we should vote against the motion.

4.44 pm

The Paymaster General (Dawn Primarolo): The new provisions, which the motion provides the way for, would bring into United Kingdom legislation directive 92/12 EEC, which allowed only until 30 June 1999 the continuation of duty free for passengers to take away at the end of an intra-Community flight or sea crossing. I am sure that at the heart of all the points that have been made is a concern for passengers. I am delighted to be able to tell the House that shopping at Gatwick was easier than ever this morning. Gone are the complicated restrictions for Community travellers, who can now purchase as much as they like, duty paid. The tax-free shops have risen to the challenge and created a marketing opportunity, as we knew they would.

All travellers pay the same price for non-dutiable goods. Almost all prices have been held, emphasising what a good deal this is for the consumer. There is plenty of advice on hand, and travellers and retailers alike have adapted quickly to the new rules. BAA, for example, announced last week that it was holding at least 90 per cent. of all prices at exactly the same level.

Mr. Fabricant: I am not sure whether the right hon. Lady's remarks are strictly on Ways and Means. However, will she clarify how those concerned at terminal 3 at Heathrow, or at the Gatwick terminals—where travellers go within and outside the EU—know what VAT or duties to charge or not to charge? How do they know the passenger's ultimate destination?

Dawn Primarolo: It is up to the duty-free shop to ascertain whether the person is travelling within the EU or outside the EU. All travellers must produce their ticket to purchase at a duty-free shop, and the new technology in shops has been altered to cope with the arrangements.

Mr. Wilshire: I want to ask the hon. Lady about the figures for Gatwick, which are clearly important, as the sales post-duty free will determine the amount of revenue that the Government get. What proportion of the sales was to people travelling from Gatwick to the EU, and what proportion was sold to those travelling from Gatwick to destinations outside the EU? That will tell us how much is duty paid and duty free, and will enable this House to determine what income the Government will receive. The other thing that we need to know—

Mr. Deputy Speaker: Order. The hon. Gentleman can make a brief intervention, but not a second speech.

Mr. Wilshire: I understand your point entirely, Mr. Deputy Speaker. What quantity of goods within those figures is being bought by individuals, so we know how much extra is being taken on aircraft?

Dawn Primarolo: I intended to assure Opposition Members that airports and ports—I gave Gatwick as an example—were coping admirably with the new arrangements. Alas, I do not have responsibility for the commercial success or the figures of those shops, or for the flow of business through them. I was addressing whether things were running smoothly at our airports.

Conservative Members asked me about the expected increase in revenue, and VAT in particular, following the change in arrangements. Last week, we discussed a statutory instrument that also amended our legislation, and I made it clear to the hon. Member for Spelthorne (Mr. Wilshire) and others that it is difficult to give a precise estimate, as the increase will depend entirely on the decisions of shoppers and those who provide the facilities for them.

It is estimated—it is only an estimate—that there could be an increase of £120 million a year, but that depends entirely on how the companies providing the services seize on the new commercial opportunities that are now open to them. That is certainly outside the Government's control. I made it clear in Committee that we would monitor closely how the arrangements work and assess whether they continue to provide the best opportunities that we can secure after the abolition of duty free.

The hon. Member for Spelthorne asked two specific questions, and I hope that it will be in order for me to answer them now. First, I can confirm that consumption on board, once the journey has started, will be free of both VAT and excise duty. Secondly, the territories involved outside the EC fiscal area are Andorra; the Åland Islands; the Channel Islands; Gibraltar; the Republic of San Marino; the Canary Islands; the overseas departments of France; and Mount Athos. I am sure that that will help the hon. Gentleman enormously when he takes part in the relevant debate later.

My hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) asked about regulations, especially with regard to airports. I have not seen any. She asked about the preparation undertaken by the previous Government. There was no preparation, to my knowledge, and that made the task all the more difficult for the Government and the traders as my right hon. Friend the Prime Minister sought a deferment of the abolition of duty free, to enable us to get a good successor regime in place. We had very little time. There has been great co-operation between the traders, airport authorities, ferry companies and Customs and Excise to try to get the best result for everyone.

Mr. Deputy Speaker: Mr. Oliver Letwin.

Mr. Letwin: Thank you, Mr. Deputy Speaker. I was going to try to intervene on the Minister, but she finished before I could. I want to ask—

Mr. Deputy Speaker: Order. I apologise. I had not realised that the hon. Gentleman had already spoken. I called the Minister on the understanding that she was winding up the debate, so we must now put the Question.

Question put and agreed to.

Resolved,

That provision may be made in the Finance Bill amending section 1 of the Customs and Excise Management Act 1979 as respects stores.

WORKS OF ART, ANTIQUES, ETC.

Motion made, and Question proposed, pursuant to Standing Order No.52 (1) (b),

That provision may be made in the Finance Bill amending section 21 of the Value Added Tax Act 1994.—[*Dawn Primarolo.*]

4.54 pm

Mr. Nick St. Aubyn (Guildford): It is unusual for the House to discuss so many Ways and Means motions. That says a lot about the Treasury's lack of organisation. In the case of this particular motion, it has been known for a long time that certain provisions would have to be made in respect of the art market if the Government failed in their attempt to negotiate a better deal with our European partners. The fact that the motion has been tabled now raises the question of why it was not tabled earlier in the Bill's passage, so that we could have had a proper and detailed debate in Committee on the terms of the new clause that the motion is intended to support.

Mr. Fabricant: Does my hon. Friend agree that there is a real difficulty under the terms of the Ways and Means motion in calculating the additional revenues that will accrue to the Government? Does he also agree that, far from raising funds, the measure would diminish the funds raised by the state by causing a deterioration of the art market in the United Kingdom, in which case, one has to ask why a Ways and Means motion has been tabled?

Mr. St. Aubyn: I am grateful to my hon. Friend for bringing me to my next point, which is to question whether a Ways and Means motion is required. It is known that, when VAT at 2.5 per cent. was introduced on works of art, the volume of international sales conducted in London fell by 40 per cent. If that volume were to fall by a further 40 per cent. when the duty doubles to 5 per cent., which is the effect of the measure that we shall debate later this evening, the amount of revenue raised would go down, not up. Indeed, it has been intimated by those who know a great deal about that market that the level of sales will collapse to almost nothing, so there will be a serious shortfall in the amount that the Government expect to raise. Therefore, a pertinent question for the Paymaster General is, will she confirm how much money is being raised now from the current provision, and how much more or less is expected to be raised once the new provision has been implemented?

I raised the issue of the future of the art market and the tax threat with the Prime Minister in the House a few months ago. I was told that his Government would use all the means at their disposal to ensure the right outcome. I was given to understand that the Government were prepared to use the Luxembourg compromise to force our partners in Europe to think more clearly about an issue wherein they have nothing to gain and we have everything to lose. Why have the Government failed to allow the House a debate on that subject until now? Why have they not been prepared to invoke the Luxembourg compromise in this respect?

In the papers the other day, we read the spin about the Government having saved the art market from a new tax: we were told that the Government's negotiations had averted a tax called droit de suite, which would certainly have been another nail in the coffin of international art sales in London. Why did the Government claim to have saved the art market from a new tax only a few days before introducing a measure to double an existing tax on the art market in this country?

We need to know why there are spurious definitions in the new clause, and what effect any relaxation of those definitions would have on the revenue to be collected under the Ways and Means measure. Why are limited editions acceptable, provided there are no more than eight—

Mr. Deputy Speaker: Order. The hon. Gentleman is now straying into the territory of the new clause. If, when we come to debate the new clause, he is fortunate enough to catch my eye, he might be able to explore such points at that time, but I would suggest that he does not do so now.

Mr. Fabricant: On a point of order, Mr. Deputy Speaker. I understand from my hon. Friend's arguments and the views expressed by others that the art market is to be diminished, so tax revenue will be reduced. Therefore, is it in order for us to debate a Ways and Means motion, which is primarily used to increase revenues?

Mr. Deputy Speaker: There is nothing out of order about a Ways and Means motion in such circumstances. However, hon. Members will help the Chair if they try to maintain a strict distinction between the debate on the Ways and Means motion and the debate that they will have later on the new clause in the Bill to which it refers.

Mr. St. Aubyn: I am grateful to you, Mr. Deputy Speaker. However, I understood that during a debate on a Ways and Means resolution, we could ask Treasury Ministers exactly what sums they expect to raise. I ask them what is their estimate of the revenue to be raised in respect of limited editions under the various categories listed. Have they given any thought to how much revenue they might lose if the definitions were rather more relaxed? They seem absurdly tight at the moment.

Of all the definitions and restrictions, perhaps the most significant is that which relates to works of art imported into the EU or the UK and then exported outside the EU within 12 months. What is the impact of that provision on the revenue to be raised? What would be the impact if that period were extended to 24 or 36 months? Surely works of art of the kind that we are considering in this debate are typically held by collectors for long periods.

If the intention of the measure is to exempt certain categories to help the international art market in London, surely it would be reasonable for the exemption to last for a period longer than 12 months that would take into account the very long time that it sometimes takes to negotiate the sale of a work of art. Such works of art could then still come through London; otherwise, sales will be lost to centres outside the European Union, such as Geneva and New York.

The estimate that I gave the Prime Minister, with which he agreed, was that 5,000 jobs in our economy—mostly in London, but throughout the UK—are at risk because of this measure. Why, at this late stage, are the Government trying to spring on the House a proposal that will probably cost this country 5,000 jobs without giving us a proper

chance to consider it and without sticking to the assurances that were given in the House only a few months ago?

Mr. Fabricant: When the Prime Minister revealingly agreed with my hon. Friend that there could be a loss of 5,000 jobs in the industry, did he give an estimate of the money that will be lost to the UK in trade and revenue, which is relevant to the Ways and Means resolution? If he did not, will my hon. Friend do so?

Mr. St. Aubyn: That is a matter best left to the experts. I have seen estimates, but I have learned during the proceedings on the Finance Bill that it is safer for us to ask the Government for their officials' professional estimates than to come up with our own. My hon. Friend asks a pertinent question, and I expect the Paymaster General to have the answer. However, there can be no doubt that a loss of 5,000 jobs is very serious for our economy, particularly as some of those jobs are very well paid and extend beyond the art market to the tourist industry. Many people who come to London to buy international works of art also visit places of historic interest, stay in London hotels and fructify the city's economy. All that will be jeopardised by the proposal.

Mr. Geoffrey Clifton-Brown (Cotswold): I listened with care to the answer that the Prime Minister gave my hon. Friend during Prime Minister's questions, and the right hon. Gentleman gave the House a clear impression that he would use all his personal authority to prevent this increase in VAT. Does not my hon. Friend think that the Prime Minister's authority in negotiating in Europe has been severely dented by the necessity to bring this Ways and Means resolution before the House?

Mr. St. Aubyn: I am grateful to my hon. Friend. We have heard time and again how the Government, by engaging in what they regard as a more positive way with our European partners, would somehow deliver great concessions and achieve what we were unable to achieve when we were in government. Surely, this is a test case for that so-called new approach to dealing with the European Union, and the tabling of this Ways and Means resolution is an admission by the Government that their policy towards Europe has failed. No one in the European Union will gain from this increase in taxation, and our market will lose. Everyone agrees with that.

Mr. Desmond Swayne (New Forest, West): Has it occurred to my hon. Friend that it is of little consequence to the Treasury should this largely transatlantic business be damaged and disappear on the ground that that will result in a level of convergence with the European continent that would not otherwise be achieved, which is the object of the Government's policy?

Mr. St. Aubyn: I know that I should not be tempted off the issue, but there can be no doubt that the concerns expressed on the Opposition Benches are very much about an important, thriving London market.

When I raised the matter with the Prime Minister, his Back Benchers—it is recorded in *Hansard*—thought it a laughing matter. They thought that the loss of jobs was a matter of hilarity, much to the Prime Minister's embarrassment. Indeed, Government Back Benchers are laughing at the moment. It is much to the Prime Minister's embarrassment again that this resolution should be before us. What will be the cost to our economy of the loss of those 5,000 jobs? When will the Prime Minister come to the House to explain why he was not prepared, as he indicated only a few months ago he would be, to invoke the Luxembourg compromise in order to protect a vital national interest?

5.6 pm

Mr. John Townend (East Yorkshire): Will the Paymaster General confirm that it should always be a principle of Ways and Means resolutions that tax increases are to increase revenue? In the resolution before us, tax is being doubled. Does she agree, however, that there is no possibility of the revenue doubling? I suggest to her that the proposals could, as my hon. Friend the Member for Guildford (Mr. St. Aubyn) has said, reduce revenue. Will she give a firm estimate of what proportion of the art market she thinks will leave this country for New York or Switzerland? Will she also give an estimate of the cost of the resolution not only in loss of jobs, but in corporation tax on profits of a very much reduced art business?

Does this not show that European tax harmonisation is not a good thing and will very often hit individual countries? If the Conservative party is proved right and the art market substantially contracts, causing an important loss of jobs, will this not be a very good example of how this House of Commons will not be in a position to take remedial action to restore the position and to bring back the art market? London, as an international art centre, might be destroyed for ever. If this is being at the centre of Europe, it is a disaster for Britain.

5.8 pm

Mr. Peter Brooke (Cities of London and Westminster): I declare an unremunerated interest as president of the British Art Market Federation, which derives from my presidency of the British Antique Dealers Association—which I declare in the Register of Members' Interests, along with its agreeable but uncovenanted excellent Christmas present, on which I declare tax.

Between 1985 and 1987, when I was Paymaster General, I was responsible for answering for Customs and Excise in this House and understudying my noble Friend Lord Lawson, as he now is, in ECOFIN, the latter of which I continued to do until 1989. Having wrestled with exactly the same issues that are in front of us, I have sympathy with the Treasury. I remember the difficulty that they caused us then.

The difficulty, as my hon. Friend the Member for Guildford (Mr. St. Aubyn) has said—I think that it is familiar to everybody who is participating in this debate—is that the introduction of this tax on works of art entering the European Union will result in a significant amount of trade not ending up in London. It will be sold in New York or Geneva instead—indeed, in due course perhaps, in Tokyo as well.

In 1994, when the legislation which we are revising came in, a reasonable question was how we were obliged to take it through if EU tax changes had to be conducted unanimously. The answer was that the Commission had threatened to take us to court under different legislation,

[Mr. Peter Brooke]

on the ground that a nil rate of VAT represented a potential distortion of trade. I had a leper's squint at that issue in my capacity as the then Secretary of State for National Heritage, as, prior to the creation of the British Art Market Federation, which was stimulated by the previous Government, I used regularly to meet representatives of the art market trade, although VAT remained a matter for Treasury Ministers. My right hon. Friends at the Treasury made it clear that they would give way on VAT, on that subject, only provided that the art trade agreed. However, both sides realised that there was a genuine possibility that the British Government would lose in the European Court against the potential threat. Had they done so, they would have found themselves with a 17.5 per cent. tax rate.

I realise the difficulty with which the present Government have had to wrestle. I am disappointed in the quality and, indeed, the timing of publication, of the European Commission report examining the effects of VAT on the art market. I hope that the Paymaster General will say a word or two about that when she replies. I realise that the Government had to concede. However, I am grateful for the decision contained in the new clause, to which my hon. Friend the Member for Guildford did not refer—probably quite properly, given the rules of order: that there will be a poultice and a palliative in that VAT on works of art created after 1973 will now be taxed at 5 per cent. rather than at 17.5 per cent. I understand that the money resolution is needed to introduce the relevant new clause.

You would rule me out of order, Mr. Deputy Speaker, if I were to dilate at any length on the subject of droit de suite. However, it did come up in the speech of my hon. Friend the Member for Guildford. I congratulate the Government on the robust manner in which they are fighting this issue at present, but I should be grateful if the Paymaster General will repeat that the Government's robustness will continue—although I realise that we are discussing a Department of Trade and Industry matter. It is no good merely to delay the matter; we must win. To lower the temperature of the debate, I point out to my hon. Friend the Member for Guildford that the 5,000 jobs relate to droit de suite as well as to VAT; they are not merely a VAT casualty.

5.12 pm

Mr. Andrew Tyrie (Chichester): I agree with everything that was said by my right hon. Friend the Member for Cities of London and Westminster (Mr. Brooke). I am relatively new to the House, but I am surprised by all these Ways and Means motions on the Order Paper. I do not understand why they are there. Will the Paymaster General give me the precedent for producing an Order Paper laden with such motions at the Report stage of the Bill?

I shall confine myself to the revenue aspects of the matter. Everyone agrees that the increase in VAT will be damaging to the UK art market—that is not in dispute. We do not need to look into the crystal ball; we can read the book. The increase from 0 to 2.5 per cent. had a deleterious effect on the existing art market. Labour Members seem to find that a matter for levity—as they do whenever we debate the subject; I find that deeply regrettable. In the light of the imposition of an increase in VAT from 2.5 to 5 per cent., how much will revenues fall? We are debating a Ways and Means motion. What estimate have the Government made of the fall in their revenues that is likely to result from that imposition? If there is no fall, how much will the increase be? My guess is that it will be extremely small.

I reinforce the point made by my right hon. Friend the Member for Cities of London and Westminster as to the European Commission's report. We were promised a thorough study of the matter, but we have not received one. If the report has been published, it must have come out quietly, because I have not seen it. If it has been published, what does it say and what is the Government's reaction? Is there any succour in it for the UK art market?

Finally, did the Government argue forcefully for an extension of the derogation, or did they capitulate? Did the Government seek to find any allies for the approach that they took?

5.15 pm

Mr. Clifton-Brown: I am glad to catch your eye in this debate, Mr. Deputy Speaker. This is the first chance that the House has had to address this issue since we had the news that the Government had been obliged to concede on the increase in VAT from 2.5 to 5 per cent. on certain works of art.

The way in which the Government have introduced the Ways and Means resolution is a disgrace, for two reasons. First, the Government must be in a certain amount of chaos or they would not have had to produce so many Ways and Means resolutions tonight. Why on earth had they not thought of all this during the Bill's many weeks in Committee? The Government should have been able to think about some of these matters. The subject of the resolution that we are now debating may have caught them unawares, but they should have been able to set many of the others before the House earlier.

Secondly, it is an utter disgrace that, only a few weeks ago, the Government were telling us that they had saved the art industry from the need to introduce this Ways and Means resolution. That was typical spin by the Government. Time and again, when something dreadful is about to occur, they say, "Do not worry; we have prevented it"—and at the end of the day, when everyone has taken their eyes off the ball, lo and behold: they come to the House with a Ways and Means resolution. You would rule me out of order if I went into any more detail, Mr. Deputy Speaker, but it bodes very ill for a much more serious matter—the withholding tax.

I cannot understand why the Luxembourg compromise was not invoked, given that the harmonisation of VAT across Europe is so much against the interests of the whole European Community, not just of this country. If it had been invoked, the Ways and Means resolution would not have been before the House tonight. It is essential that, when the Paymaster General replies, she tells us in some detail what negotiations took place with the Commission, and through the Council, that caused the resolution to be before us tonight.

I have some questions for the Paymaster General; I should be grateful if she would answer them. The very helpful notes on clauses tell us that this measure applies not only to works of art—to which we have confined our debate this evening—but to antiques and collectors' pieces. It would be useful for the House and the trade to

know—obviously, the Government would not introduce the resolution if they had not made the calculations—how much extra tax the Paymaster General expects the increase to net the Government, first from art and, secondly, from antiques and collectors' pieces. It would be interesting to know what projections the United Kingdom Government have done on this matter—whether they really think that they will net an increase in VAT as a result of passing the Ways and Means resolution. Like my hon. Friends, I have a strong suspicion that there will be a net loss of VAT, but let us hear the Government's predictions.

My right hon. Friend the Member for Cities of London and Westminster (Mr. Brooke) mentioned the amendment to section 21 of the Value Added Tax Act 1994 to decrease the rate of VAT for those works of art created after 1 April 1973 from 17.5 to 5 per cent. It would be interesting to know how much VAT that will lose the Government. What figures have they calculated in that respect?

It has been calculated that the changes will lose the UK 5,000 jobs. In introducing a Ways and Means resolution to the House, the Government should be able to tell us—it would help the trade—how many jobs are likely to be lost as a direct result of this measure and how many are likely to be lost as a result of the combination of this measure and the introduction of droit de suite.

It would be useful to know how many jobs the Government reckon will be exported from the European Community; after all, it is the European Community that is forcing us to introduce the measure. Are all those jobs to be lost to the UK and the European Union, or will some of them be redistributed around the European Union? Will there be an increase in the art market elsewhere in the European Union? If that were the case, it would make some sense for the Commission to insist that the UK introduced the measure. If none of those jobs is to be reclaimed in the European Union, it seems daft.

Mr. John Bercow (Buckingham): Will my hon. Friend give way?

Mr. Christopher Leslie (Shipley): Will the hon. Gentleman give way?

Mr. Clifton-Brown: I shall give way to my hon. Friend and then to the hon. Gentleman.

Mr. Bercow: Is my hon. Friend aware, in the context of the motion, that the habitual refrain of Ministers is that they eschew the cause of tax harmonisation within the European Union despite appearances to the contrary? Does my hon. Friend agree that it is of the utmost importance that, in responding to the debate, the Paymaster General should explain to us how she distinguishes the words "to harmonise" and "to co-ordinate", given that page 898 of the "New Shorter Oxford English Dictionary" defines "to co-ordinate" as to "place or class in the same order, rank or division"? What is the difference?

Mr. Clifton-Brown: My hon. Friend raises an interesting point. However, I am sure that, if I strayed too far down that path, you would rule me out of order, Mr. Deputy Speaker. We on the Opposition Benches believe in tax competition, not tax harmonisation. On this matter, the Government are entirely inconsistent. When I raised at some length the question of tobacco taxes, the Government were all for having a tobacco tax at a different rate from that of the rest of the EU and losing a huge amount of revenue thereby. However, when it comes to the issue that is before us, which will result in the loss of many jobs, the Government seem to want harmonisation. I do not understand why the Government cannot be more consistent on this matter. If they were, at least everyone would know where he stood.

Mr. Leslie: Will the hon. Gentleman explain why, in 1994, the Conservative Government gave a legal undertaking to increase the value added tax on imported works of art to 5 per cent?

Mr. Clifton-Brown: If the hon. Gentleman had been present—I am not sure whether he was—to listen to my right hon. Friend the Member for Cities of London and Westminster, he would have heard that, if we did not agree to an increase from 2.5 to 5 per cent., albeit that we had a derogation for 20 years, we would be subject to a threat to take us to the European Court, and the European Union could have imposed a 17.5 per cent. rate of tax. That would have been far more damaging.

I am saying that the Government are dealing with the circumstances as they arise, and they are that the derogation is to end in June or July. The Government have to deal with that. It is their stewardship that we are under, whether we like it or not. They appear to be intent on decimating our art market because it seems that they cannot put an appropriate argument to our European partners that the increase in tax is disastrous for us and for them as well. It is daft. If the increase would benefit the EU as a whole, there would be some sense in it, but that is plainly not the position. As my right hon. Friend the Member for Cities of London and Westminster has said, business will be driven away. It will go not to Paris, Berlin or anywhere else in the EU, but outside it. It will go, for example, to Geneva, New York or Tokyo. The EU will lose jobs, balances of payments will be adversely affected and tax revenues will be lost.

The Prime Minister put his personal authority on the line when he said that he would do something about this tax increase. He said, in effect, that he would convince our European partners that it did not make sense. At the end of the day, he failed in that respect. If that has happened, how many more times will he fail in Europe, and how many more times will the United Kingdom be disadvantaged thereby?

5.25 pm

Mr. David Heathcoat-Amory (Wells): Like a number of my right hon. and hon. Friends, I do not think that the motion should be nodded through, notwithstanding that we can debate the substance of new clause 14 at a later stage this evening. We need to know from the Minister now what the anticipated yield will be from doubling valued added tax on imported art.

We are talking about a most important industry. Labour Ministers seem somewhat dismissive of the art industry as a whole and they should be reminded that it is not based only in London. There is an extensive network of dealers and galleries throughout the United Kingdom and

[Mr. David Heathcoat-Amory]

there are many ancillary industries such as framing, conservation, insurance and shipping, all of which feed off the international market, which is based in London.

The motion would double the rate of VAT on imports. We know that it derives from a directive passed in 1995, from which the United Kingdom had a limited derogation. As so often happens with the European Union, the boomerangs return. The Government may remind us this evening that they have postponed the separate threat represented by droit de suite, the levy on the resale of contemporary art. It would be useful to know on what terms that has been postponed, and whether it may turn out to be a boomerang as well.

In the 1995 agreement, it was agreed that, by 1999, when the British derogation ended, there should have been a study into whether VAT on imported art was damaging the European art market. That report has been produced. It was late—it should have been produced last year, but it was made available only a few months ago. It is interesting that, although the report was commissioned by the European Commission, and to that extent is not wholly impartial, it nevertheless paints a good picture of the damage already caused by VAT, even at present levels.

As regards the impact on the United Kingdom, the report states:

"Between 1994 and 1997"—

during that period, VAT at 2.5 per cent. was imposed—

"the United Kingdom went from being a net importer . . . to being a net exporter"

of art, so VAT even at that lower rate clearly caused damage. The report also records—this is dangerous—the views of the New York dealers, whom it states

"are all very excited at the prospect of import VAT rates being increased in the UK (which they see as their main competitor)."

The report concludes that

"high value buyers and sellers are increasingly choosing New York over London as their preferred venue because of the 2.5 per cent. differential."

That happens even at the present VAT level, which we are about to double.

Mr. Geraint Davies (Croydon, Central): Will the right hon. Gentleman give way?

Mr. Heathcoat-Amory: Will the hon. Gentleman forgive me? I want to give the Minister an opportunity to respond.

The Commission's own study shows conclusively that damage has been caused, so it was—I choose my words carefully—mendacious of the Commission to assert in its press release that the report had provided no evidence of damage to the European art market. That was flatly untrue.

The Minister will probably remind us in a moment that the Commission has agreed to reduce the 17.5 per cent. VAT rate that at present applies to contemporary art painted or created since 1973. That is a welcome development, but it does not offset the damage that will be caused by the doubling of the 2.5 per cent. rate.

The Commission, which after all has a duty to promote the economic interests of Europe as a whole, even if it is dismissive of the UK's interest, should not have ignored the evidence of its own study, which showed damage not simply to the UK, but to the entire European art market. The only people who will be pleased by the motion are competitors outside Europe, in Switzerland, the United States, Japan and elsewhere. It will simply transfer business—

Mr. Leslie: Will the right hon. Gentleman give way?

Mr. Heathcoat-Amory: I shall give way very quickly to the hon. Member for Shipley (Mr. Leslie); I apologise to the hon. Member for Croydon, Central (Mr. Davies).

Mr. Leslie: I am grateful to the right hon. Gentleman. Can he confirm whether, when he has Paymaster General in 1994, he was in any way involved in the discussions or negotiations about the move from 2.5 to 5 per cent?

Mr. Heathcoat-Amory: I was not Paymaster General in 1994, so I had nothing to do with the negotiations.

I conclude with a request to the Paymaster General. If the motion goes through—it looks as though it will—and if the Commission's own study turns out to be correct and damage will be caused, will she ask it to produce a further study in due course so that it can return to this matter and reduce the minimum mandatory rate?

Mr. Clifton-Brown: Does my right hon. Friend agree that the people responsible for the measure are officials sitting in highly paid jobs in the Commission who do not care about job losses even though 17.5 million people are already unemployed in the European Union?

Mr. Heathcoat-Amory: My hon. Friend is entirely correct. The measure is a bureaucrats' charter and the people in the Commission who introduced it will not lose their jobs. Our constituents who rely on the vitality and success of the trade will lose their jobs—not the people in the big auction houses, which will simply transfer their auctions to New York. The little people—the porters, the packers, the office staff, the experts, the framers—will lose their jobs. They have been abandoned by the Labour party, but they have not been abandoned by us, as my hon. Friend the Member for Cotswold (Mr. Clifton-Brown) says.

I understand the constraints under which the Paymaster General has been negotiating, but, even at this late date, I ask her at least to ask the Commission to study this matter and return with other proposals if the damage, as reported, occurs.

Mr. Deputy Speaker: I call Mr. Fabricant.

Mr. Fabricant *rose—*

Mr. Deputy Speaker: Order. I apologise to the House; I was distracted for a moment. Has the right hon. Member for Wells (Mr. Heathcoat-Amory) given way or has he concluded his remarks?

Mr. Heathcoat-Amory: I have concluded.

Mr. Deputy Speaker: In that case, I should call the Paymaster General to reply to the debate in the remaining time.

5.31 pm

Dawn Primarolo: I shall try to deal with all the points that have been raised within the short time that remains. If I cannot, I shall certainly deal with them in the later debate.

I remind the House of the context of this matter. The previous Government—I understand that the right hon. Member for Wells (Mr. Heathcoat-Amory) was Paymaster General from 1994 to 1996—committed us to an absolute legal obligation to raise VAT on works of art from 2.5 to 5 per cent. The then Government asked the Commission to undertake an independent study, but they unfortunately did not have that written into a directive. The agreement was political and therefore not enforceable in law.

The right hon. Member for Cities of London and Westminster (Mr. Brooke), who is very well informed and follows these issues closely, referred to the delayed report. He is quite right: the independent report should have been available at the end of December, but it was not available until March. The Commission made its response as late as 28 April and the Government's view is that it ignored the recommendations. In our opinion, the Commission's recommendations did not properly recognise elements of the independent report, which we then pursued vigorously with the Commission and other member states.

The hon. Member for Chichester (Mr. Tyrie) asked about the Commission's report. I can tell him that it and an explanatory memorandum were put before the House along with the Government's view. Although the report was lodged with us, the Commission unfortunately did not make it generally available and, under the agreement undertaken by the previous Government, we could not require it to do so. However, we at least obtained a copy for ourselves and were able to scrutinise the details.

The Government were faced with the Commission's insistence on the implementation of the absolute legal requirement. As hon. Members know, the consequence for the Government of not complying with our legal obligations would have been infraction proceedings and things could have been considerably worse. None the less, we continued to pursue the Commission to seek either an extension of our derogation or the setting of 2.5 per cent. as the rate for the rest of Europe. Only one other EU country—Denmark—applies the 5 per cent. levy, and the others apply higher rates.

The Government faced an absolute legal agreement and had no room for manoeuvre because the independent report had not been written into the directive. The Commission refused to move, and other member states did not agree to reopen the matter. At present, income to the Government is around £10 million, and the increase in VAT to 5 per cent. on goods currently taxed at 2.5 per cent. will yield around a further £10 million in a full year. The offset resulting from widening the scope of the new 5 per cent. rate to include imported works of art previously taxed at 17.5 per cent. will, however, leave the overall package effectively revenue neutral.

Mr. Tyrie: Will the Minister give way?

Dawn Primarolo: Forgive me, but I have been left little time to reply to the debate. I shall be happy to return to the point in later debates.

The Government have continued to work closely with the art market, recognising its valuable contribution to a global art market centred on New York and London. The European Union should see London as a European centre of excellence, but we have not been able to win that argument at this stage. In a press release, the British Art Market Federation welcomed the Government's decision to provide for the reduction on imports of contemporary art, saying that that decision and

"the Government's equally robust opposition to the Artists' Resale Rights Directive,"

—not relevant to this debate, and not part of my responsibilities—

"will we believe, enable us to maintain the UK's competitive position in the international art market."

The federation recognises what we have done, and recognises that we were bound by legal obligations because of the previous Government's commitments. It has congratulated the Government on vigorously pursuing the best interests of the art market. Despite what some Opposition Members say, the Government are committed to ensuring that the British art market gets a fair deal.

5.39 pm

Mr. Leigh: I am sorry that the Minister was unable to give way during the debate. Clearly, she had time to do so. What can she say about new subsection 6(a), which sets out items accepted for definition—

Mr. Deputy Speaker: Order. I am afraid that the Minister will not have an opportunity to answer that question.

It being three quarters of an hour after the commencement of proceedings on the motion, MR. DEPUTY SPEAKER *put the Question, pursuant to Standing Order No. 52(1)(b) (Money resolutions and Ways and Means resolutions in connection with Bills).*

Question agreed to.

Resolved,

That provision may be made in the Finance Bill amending section 21 of the Value Added Tax Act 1994.

VALUE ADDED TAX (PREPARATIONS ETC OF MEAT, YEAST OR EGG)

Motion made, and Question proposed, pursuant to Standing Order No. 52(1)(b),

That provision (including provision having retrospective effect) may be made in the Finance Bill amending the provisions of Schedule 8 to the Value Added Tax Act 1994 by virtue of which supplies of preparations and extracts of meat, yeast or egg are zero-rated.—*[Mr. Jamieson.]*

5.39 pm

Mr. Letwin: I am not clear about the meaning of the motion. Nor am I entirely clear about the guidance on Member's interests, so, for the avoidance of any impropriety, I declare a possible interest in that a pet shop may have been a client of the bank of which I am a director.

The motion is the most vexed of those before us this afternoon. I have a few straightforward questions that Ministers may wish to answer now so that we do not have to deal with them when we reach the considerable number

[Mr. Letwin]

of substantive questions to be debated later. I am not clear—the notes on clauses do not make it clear—whether the situation is as I envisage it, which is that up till the time when the lacuna that gave rise to the substantive change was spotted, pet shops were paying VAT.

Dawn Primarolo *indicated assent.*

Mr. Letwin: I am glad to see that I am right in that. In that case, this Ways and Means motion cannot possibly have the effect of changing the revenue that was extracted or would now fall to be extracted from those who were previously operating under the mistaken assumption that the law was correctly constructed and that Customs and Excise had the right to levy the VAT that it was levying.

The motion must therefore relate to the future and to the question of how much can be raised in the future. Will the Paymaster General give us an estimate of the effects on the Revenue of that change in the future? What will be the immediate effect—the first-round effect? What additional VAT revenue will be raised assuming no demand elasticity? What will be the second-round effect—the long-term effect—assuming that things change and people use less pet food as the price rises?

I take it that the Treasury has done an analysis of both those effects. For reasons which I do not want to dwell on now—it would intrude into the substantive debate—I do not want to go into detail about why I think that this is an important question to answer. However, I hope that the Paymaster General can clear up the factual point and give us an idea of those [illegible] projections, which I presume the Treasury has made.

Will the Paymaster General give us some guidance? Has it been normal practice in the past to have a Ways and Means motion when an uncovenanted error has been discovered ex post? That would be instructive for the future ordering of parliamentary business.

5.42 pm

Mr. Fabricant: I am a little surprised that the hon. Member for Burton (Mrs. Dean) is not present. The headquarters of Bovril and Marmite are located in Burton, which is close to Lichfield. The House will know that Bovril and Marmite make use of beef extract and yeast, which are the substances referred to in this Ways and Means motion. My hon. Friend the Member for West Dorset (Mr. Letwin), who leads from the Front Bench so expertly [illegible] fluently, asked about pet foods. Will VAT be applied only to products used in alcoholic beverages, such as yeast and egg—which I suppose is used in egg nog or advocaat—or will it be applied to Marmite and Bovril?

We need an assurance that VAT will not be applied to Bovril. *[Interruption.]* As my hon. Friend the Member for West Dorset says, we must make a plea for Bovril and Marmite to ensure that they remain exempt. If VAT were applied to those products, employment in Burton would be affected, and it is conceivable that people in Lichfield work in that factory, which is only a few miles down the A38. More importantly and more directly related to this Ways and Means motion, we need an assurance that this small measure does not mean that VAT will be put on human food. Will the Paymaster General give a clear and unequivocal assurance that VAT will not be applied to Bovril or Marmite as a precursor to VAT on foods generally?

It would be utterly hypocritical if the hon. Lady could not give that assurance. Many of us remember the scares that the Government caused before the last general election when they were in opposition. They asked for such guarantees, even without the Ways and Means motion which spurs me to ask this practical question.

If Bovril and Marmite are not to be exempted, will other products also not be exempted? If so, will the Paymaster General list those products? It is not just the hon. Member for Bovril—or the hon. Member for Burton—who ought to be present; others should be here, given that food industries in their constituencies may now have to pay VAT and other duties on food under the present Government, for the very first time.

I dare say that the Paymaster General will say that this is just another example of tax co-ordination with Europe, where VAT on food is the norm; but what will be the annual value of transactions affected by the change? How much of the tax will be on food, how much on pet food and how much on alcoholic beverages, particularly advocaat?

Mr. Clifton-Brown: Is this not yet another example of the Government's hitting the poor with regressive taxation? Are they not taxing basic foods in the worst possible manner?

Mr. Fabricant: I take exception to that. I always like Marmite on my toast, and, while there is nothing wrong with being poor, I would be mendacious if I said that I was.

What consultation has the Treasury had with food and drink manufacturers? I am not talking just about Bovril, and I am not talking just about beer manufacturers, which are also based in Burton. What consultation has taken place about the amount that would be raised? What evidence exists to suggest that the current tax regime unduly benefits this part of the food and drink industry, to the detriment of other parts? Why has the measure been introduced? The House needs to know. What are the ulterior motives?

The Paymaster General looks at me in surprise and horror.

Dawn Primarolo *rose—*

Mr. Fabricant: I give way to the Paymaster General. Perhaps we shall hear an answer as well as a question.

Dawn Primarolo: Does the hon. Gentleman realise that we are talking about pet food?

Mr. Fabricant: The Paymaster General says that we are talking about pet food, but that is not at all clear from the motion. If we are, can she give us a firm undertaking that VAT will be imposed on neither Marmite nor Bovril, and that a Labour Government will never—I repeat, never—impose VAT on human food? If she will not give that undertaking, will she withdraw the disgraceful remarks that she made when her party was in opposition,

and when she posed similar questions to my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), who was then Chancellor of the Exchequer?

If the change—I refer to the amendment provided for in the motion—be deemed always to have had effect, what will be the "retrospective effect"? How far back does the Paymaster General mean to go—three years, six years, nine years? What will be the clawback? If it applies only to pet foods, what will be the implications for major manufacturers and major employers such as Pedigree? The Paymaster General laughs, but Pedigree is the largest pet-food manufacturer in Europe. Based in the east midlands, it employs hundreds of people, who could lose their jobs as a direct consequence of this measure.

I do not need to tell you, Mr. Deputy Speaker—I have raised the issue on the Adjournment, and in questions—that the last tax harmonisation introduced by the Labour Government of which I was conscious involved the introduction of water regulations. The regulations seemed innocent enough in themselves, but, as a result, Armitage Shanks in my constituency was taken over by a United States company, and jobs were lost—simply because the Government thought that co-ordination in Europe would put us at the heart of Europe, notwithstanding that loss of jobs. That, of course, has nothing to do with the motion that is under discussion.

We need assurances today. We are not just talking about Marmite and Bovril, but about the entire food industry. The Paymaster General may proudly say, "It affects only pet foods" but what are the job implications for firms such as Pedigree and others? How many years back will the retrospective action go?

5.51 pm

Mr. Peter Luff (Mid-Worcestershire): As I listened to the apocalyptic comments of my hon. Friend the Member for Lichfield (Mr. Fabricant), I wondered whether Nostradamus had in mind the motion when he prophesied all kinds of things for this period in July; somehow, I suspect not.

Like my hon. Friend the Member for West Dorset (Mr. Letwin), I have racked my mind to think of an interest to declare. I cannot think of one, except that, having heard my hon. Friend the Member for Lichfield speak, I should declare that my son is a prodigious eater of Marmite and that my dog eats large quantities of Bonio dog food.

As Chairman of the Select Committee on Agriculture, I thought that it was an issue on which I should perhaps detain the House for a few moments. The motion seems to be one of the more regrettable of those on the Order Paper, principally because it is retrospective. The Minister may argue that it corrects an error by the previous Government and is therefore not retrospective, but it has not been law for the past five years and the Government intend to make it so, first by the motion and then by the new clause, which we will debate later. That is of some concern.

It is not a great matter of party controversy. If it was an error—the notes on clauses tell us that it was, and who are we to disagree?—by the previous Government, it should be corrected, but I cannot help reflecting on the fact that, in my experience, if errors relating to VAT on pet food are committed by ordinary citizens, their correction is rigorously enforced. However, according to the motion and the subsequent new clause, Customs and Excise will be given the benefit of the doubt if it is found to be responsible for the fault and is likely to lose revenue.

A year or so ago, I had a case in my constituency of a pet shop owner who decided to sell his products by breaking bulk purchases and splitting packets. There was a huge dispute as to the VAT liability that flowed from that decision, which could have put that pet shop out of business. Fortunately, after an unsympathetic Customs and Excise inspector, a more sympathetic one came along and the matter was put right, but, often, disputes over VAT on pet food can have important consequences for small businesses. Therefore, the Paymaster General owes us a clear explanation of exactly what is going on in the new clause, bearing in mind how strongly retrospective errors by Customs and Excise are enforced.

I am concerned about the details of the new clause that are provided in the notes, which say:

"The practical effect of the amendment will be to restore taxation to certain foodstuffs, principally pet food, and to restrict the zero-rating to non-alcoholic beverages made from extracts of meat, yeast or egg."

I recognise weasel words when I see them.

Mr. Fabricant: I am grateful to my hon. Friend for pointing that out. He was here when the Paymaster General pointed out rather pompously that the measure applied only to pet food. He has pointed out that it applies principally to pet food. In any event, that is what is said in the explanatory notes, not the measure itself. As Chairman of the Agriculture Committee, does he agree that the motion might, either on purpose or inadvertently, apply to foods? Therefore, it would be nice to hear a reassurance that the Government will never introduce VAT on any human foodstuffs.

Mr. Luff: My hon. Friend makes a good point. It is clear from the explanatory notes that the Government understand that the measure involves the extension of VAT to human foodstuffs. The notes refer to

"certain foodstuffs, principally pet food".

The Paymaster General shakes her head. If the measure does not refer to human foodstuffs, why do the notes on new clauses say that it does? We need a clear explanation of precisely which foodstuffs are affected and which are not.

Why the urgency? The error has gone uncorrected for five years. When was the error spotted by the Paymaster General's officials? It must logically have been spotted some time in the past week; otherwise the measure would surely have been dealt with earlier in the proceedings on the Finance Bill.

What brought the error to the Paymaster General's attention? What is the problem that has caused her the great concern? Why has it not been left for next year's Finance Bill? Why is there a great ragbag of motions before the House today?

My hon. Friend the Member for Lichfield made great play—understandably, in view of the possible effects on Marmite and Bovril—of the absence of the hon. Member for Burton (Mrs. Dean), but I say in her defence that the precipitant way in which the Government have brought the motion to the House today may have meant that she was not aware of the possible implications. If she were, I am sure that she would wish to explore them with the

[Mr. Luff]

Paymaster General. That leads to the more important question: what consultation have the Government had with the sectors of the pet food and other food industries that are likely to be affected by the motion and the substantive new clause?

Specifically, what pet foods will be affected by the motion? We do not know what the measure's practical effect on ordinary pet owners will be. It is important that, before the motion is nodded through, we hear what practical effect it will have on pet owners.

We know that some pet owners are among the poorest members of our society—those who the Government claim they wish to help. An extension of VAT on pet foods is not an inconsequential matter, but of great moment for some of those people.

Mr. Fabricant: Is my hon. Friend aware of the therapeutic value of pets, and that pensioners, old people and people with psychiatric problems all benefit from owning pets? Will they be able to afford to keep them if there is VAT on pet foods, or even more tax on pet foods, which will put prices up?

Mr. Luff: Looking at you carefully, Mr. Deputy Speaker, I judge that I should probably not get too sidetracked down that alley, but I agree with my hon. Friend.

We need to know the precise effects of the measure on pet foods. What will happen to retail prices as a result of it? What will happen to the Government's revenues? What sums of money are actually involved? What sums of money have been lost as a result of the mistake in 1994? What sums of money will be recouped in future years as a result of its correction?

I know from bitter experience in the House that the simplest and most apparently innocent measure often is the source of the greatest concern to the House, or should be. Anything that begins casually with the words

"This new clause corrects an error in the consolidation of existing law"

puts me immediately on my mettle. The Paymaster General has said in an almost jocund tone, "It refers only to pet foods." It is potentially a serious measure for the House to consider. She needs to treat the matter with some seriousness, not levity, in her winding-up speech.

5.58 pm

Mr. Michael Jack (Fylde): My eye is taken by the terms of the motion. The first point on which I seek clarification was raised by my hon. Friend the Member for Mid-Worcestershire (Mr. Luff)—the provision having retrospective effect. That also worries me. Retrospection in any tax measure is something of which Treasury Ministers always fight shy. I am intrigued to know why the law must go back to what it would have been had it been correct in September 1994. I should be grateful if the Minister could spell out more clearly than the notes on clauses what the measure means for companies. I am unclear as to the financial impact of retrospective VAT legislation on those enterprises.

What I am clear about is constituency cases where VAT problems of immense complexity drag on for some time, where it is sometimes difficult or, indeed, costly to unravel the consequences of what to the citizen is retrospective activity. However, here we are talking more seriously about a change in the law.

How was it that that particular error in transcribing a cross-reference from the Value Added Tax Act 1983 came to occur? Some people may think that the motion is part of a wider exercise by officials, admittedly and understandably, combing VAT legislation to close loopholes and protect the Government from perceived revenue loss. However, is the motion being proposed for other reasons? Hon. Members should be told why the error—which has lain dormant since 1983—has suddenly been resurrected, just as the century ends. How did that occur?

The motion, intriguingly, deals with "preparations". I am not sure which definition of preparation is being used in the motion. I appreciate that VAT legislation has long ensured that the manufacture of foods—the bringing together and further processing of certain ingredients, adding value—such as biscuits and sweets has always attracted VAT. I should also tell my hon. Friend the Member for Lichfield (Mr. Fabricant) that those foods are for human consumption. Nevertheless, I do not fully understand how the word "preparations" is being used in the motion. Does it entail the bringing together of raw ingredients without further processing, or bringing together some of the ingredients that would be affected by the proposal after they have been further manufactured, cooked or processed in some other way?

Ministers should give the House some clear and detailed explanation of what they are inviting us to agree. The motion, taken at face value, does not assist us in our voyage of exploration, but its import may be greater than it seems.

6.2 pm

Sir Teddy Taylor: Will the Minister answer one brief question? Is there any way at all that the Government could mark on the Order Paper matters about which the House has no power to do anything? Perhaps I should first declare an interest: I have a dog of my own, called Corrie. When I get back from the House, he likes me to take him for a walk. Sometimes, however, I am detained in the Chamber, not because hon. Members talk too much, but because we spend our time talking about things about which we can do nothing.

I know that you will be well aware, Mr. Deputy Speaker—because of the great interest that you take in public affairs—that the House has recently spent hours and hours debating matters that we can do nothing about. We have had a great deal of discussion, for example, about genetically modified foods, about which people get very excited and agitated. However, because of European law, we can do absolutely nothing about GM food. We also had a long debate—for a whole day—on the age of homosexual consent, although Parliament could do nothing at all about it.

Mr. Deputy Speaker: Order. The hon. Gentleman is a very experienced hon. Member. One example by reference perhaps; but he must not go on, ad infinitum, on matters that are nothing to do with motion 7.

Sir Teddy Taylor: I am sorry, Mr. Deputy Speaker; but it is everything to do with the motion. I simply want

to ask Ministers whether, in light of Article 28(2)(a) of the EU sixth directive they have any power to do anything about the substance of the motion?

We may all think that retrospective taxation is ridiculous, and agree that the Government should withdraw a motion that would unfairly apply taxation—and carry the can for it. However, my understanding of the situation—you may not think that this is relevant, Mr. Deputy Speaker, but it is—is that, even if all 635 hon. Members said, "Let's agree that we will not backdate tax on dog food", and voted accordingly, it would have no impact at all. The Government would have to levy the tax, simply because of the sixth directive.

I know that you, Mr. Deputy Speaker, and other people do not like me talking about these things, but it is time that Parliament woke up to the fact that we spend hours and hours talking about things about which we can do absolutely nothing. I simply wish that Parliament would wake up to the fact that a democracy is dying every single day, and that—on this issue, as on so many others—we are wasting our time talking about something about which we can do nothing.

Will the Minister say if, by any remote chance, I am right about that point? If, by any remote chance, I am talking a load of rubbish, as the Deputy Speaker seems to think, will the Minister say—

Mr. Deputy Speaker: Order. The hon. Gentleman has made a disgraceful suggestion. I am here merely to try to keep the House in order, and believe that the hon. Gentleman was straying into generalities too far beyond the scope of motion 7. I hope that he will consider very carefully what he said.

Sir Teddy Taylor: I am sorry—it is simply something that I feel very strongly about.

I was asking a simple question. I hope that the Minister will tell us—to avoid my having a dispute with the occupant of the Chair, which I have never had in my 35 years in the House of Commons; and to help the House of Commons—whether the Government might consider having on the Order Paper a little map, circle, scroll, arrow, or something that would not be too controversial or cause a dispute in the House, to indicate those matters about which we can do nothing. That would save a great deal of the House's time, and give me more time to go back and take my dog out for a walk.

6.6 pm

Mr. Leigh: The Minister, in an intervention on my hon. Friend the Member for Lichfield (Mr. Fabricant)—she obviously thought that it was a devastating intervention—asked whether he was aware that the motion applied to pet food. What she did not confirm was that the motion applies only to pet food. The Minister should realise that our suspicions and concerns have been fuelled by that intervention—although I think that the argument could be resolved very easily.

The motion's implications for the Revenue are enormous: the political and revenue implications of launching any attack on the principle of zero-rating food are staggeringly important. I should really like the Minister, on behalf of the Government, to commit herself to the principle that we are not starting to renege on the pledge, which was given in the general election by her and the Government, that we shall not move away from zero-rating on food.

Mr. Swayne: Does my hon. Friend agree that the Order Paper does not mention pet food at all, but talks about "meat, yeast, or egg"? As a consequence of the measure, and to avoid the taxation increase, we may well have to eat unleavened bread.

Mr. Leigh: I am not sure about the need for unleavened bread. However, I am sure that, so far, we have not received a commitment from the Minister.

My hon. Friend the Member for New Forest, West (Mr. Swayne) was right to say that Back Benchers can go only by what they are told in the explanatory notes—which should be helpful. The notes that we have been given today are not at all helpful—except, as my hon. Friend the Member for Mid-Worcestershire (Mr. Luff) has made clear, in fuelling our suspicions. If we were supposed to be reassured that the motion would apply only to pet foods, why does paragraph 2 of the explanatory notes state—as my hon. Friend the Member for Mid-Worcestershire said—that the measure will apply "principally" to pet food? Why do the notes not say that it will apply only to pet food? The House deserves a reassurance on that matter.

It would be the utmost hypocrisy for the Government—under the guise of a seemingly innocuous measure concerned only with pet food—to increase their revenues by extending VAT to ordinary foodstuffs. We want a commitment that they are not attempting to do that. We also want to know precisely which grocery items will be affected by the measure. What are the measure's revenue implications? What will be the annual value of transactions affected by the change? What will be the net effect on Treasury revenues? What consultations have the Government had with food and drink manufacturers and with retailers?

We want to be reassured that, as a consequence of the negotiations, the principle of zero-rating food will not be abrogated. We also want to know what evidence there is to suggest that the current tax regime is unduly benefiting that part of the food and drink industry to the detriment of others. Unless we get all those reassurances, we are perfectly entitled to be suspicious of what is going on this afternoon.

6.10 pm

Dawn Primarolo: I hope that I shall be able to reassure the House on this modest and sensible measure. There is no extension to foodstuffs that are currently zero-rated. The hon. Member for Lichfield (Mr. Fabricant) can have his Marmite soldiers and drink his Bovril this evening in the sure knowledge that there is no challenge.

While legal issues arising from an appeal to the VAT and duties tribunal earlier this year—but after the Budget—were being examined, it was discovered that a transcription error had been made in the Value Added Tax Act 1994. Throughout the relevant time, VAT has been raised on those products. No new VAT is being imposed and there is no extension. The manufacturers, the Government of the day and their officials believed that VAT on pet foods could be charged and collected, as it

[Dawn Primarolo]

had been since 1973. We collected the tax because that was the position before the transcription error was made in 1994. We now have to correct the law.

Mr. Luff: Is the hon. Lady saying that the Government have collected tax revenues illegally and are now seeking retrospective sanction for having done so?

Dawn Primarolo: No. The items had never been zero-rated. The previous Government supervised the changing of the 1994 Act, when the transcription error occurred. They were fulfilling their legal obligations under the requirements to impose VAT. We are committed to maintaining zero rates on food. They are not affected in any way.

Mr. Letwin *rose—*

Dawn Primarolo: I should like to make this point first. The explanatory notes make it clear that the zero-rating of foodstuffs is not affected.

The grouping covers pet foods primarily, but there are certain other preparations—

Mr. Letwin *rose—*

Dawn Primarolo: I should just like to deal with this point. The other preparations are extracts of meat, yeast or egg, such as advocaat and yeast products intended for use in home brewing. That was the law as we had all understood it.

I have also been asked whether there is a precedent.

Mr. Letwin *rose—*

Dawn Primarolo: I should like to deal with this point and get all the facts on the table before hon. Members work themselves up into a lather again about the problems.

I was asked whether there had been errors before. Unfortunately, there have. The previous Government had to make a correction to the Finance Bill in 1995, because the starting date for earlier changes to bad debt relief was omitted when the provisions for consolidation into the Value Added Tax Act 1994 were made. The measures are not retrospective because—

Mr. Letwin *rose—*

Hon. Members: Give way!

Dawn Primarolo: I will give way in a minute. Hon. Members should be patient. It will help to have the facts.

This is not retrospective taxation because the legal liability to tax has not been changed contrary to the expectation of the taxpayer. The taxpayer had been paying the tax.

If the House voted against the motion, it would cause chaos. Manufacturers and the Government believed that the law gave cover. I am sure that a test court case would show the intention of the legislation before 1994, but it is better to correct legislation when an error is found.

Mr. Letwin: I am grateful to the Paymaster General for giving way. That is the point on which I have been trying to intervene, without being in any kind of lather. The hon. Lady said a moment ago that it had not been illegal to levy VAT during the intervening period when the mistake was in force. Is that not because my hon. Friend the Member for Rochford and Southend, East (Sir T. Taylor) is right and the sixth VAT directive is in force, meaning that in law VAT could be levied on the products? Is this not merely a tidying operation with no effect on the outcome of cases?

Dawn Primarolo: That is my point. There is no change. If we did not make the alteration, the Government could be left open to a loss of revenue, which would be unwise. Any prudent Government would act.

This is a simple proposition. An error was made; taxpayers and the Government have behaved in good faith. The law will now be corrected. There will be no refunds, no additional charge and no increase in food prices for pet lovers. I am sorry that the hon. Member for Rochford and Southend, East (Sir T. Taylor) feels that his time may have been wasted. There is no extension on foods; those are the simple facts.

Question put and agreed to.

Resolved,

That provision (including provision having retrospective effect) may be made in the Finance Bill amending the provisions of Schedule 8 to the Value Added Tax Act 1994 by virtue of which supplies of preparations and extracts of meat, yeast or egg are zero-rated.

DISCOUNTED SECURITIES ETC.

Motion made, and Question proposed, pursuant to Standing Order No. 52(1)(b),

That provision (including provision having retrospective effect) may be made in the Finance Bill amending paragraphs 10 and 13 of Schedule 13 to the Finance Act 1996 and section 92 of that Act.—*[Mrs. Roche.]*

6.17 pm

Mr. St. Aubyn: I rise to point out that, yet again, we have a motion with retrospective effect. In Standing Committee, we raised several objections to the phrasing of clause 61 and others. There was a great deal of consternation among Ministers, and they had to go away and think again. The Government new clauses on Report propose significant changes to the way in which they hope to address the highly technical problem of tax leakage resulting from the current legislation. I should be grateful if the Minister would confirm that.

Before we pass the measure, will the Minister confirm that the retrospective effect will not mean that companies that have honestly, but ingeniously found a way to minimise their tax liability will see an increase in their tax bill? I have no truck with tax evasion, but it is right that businesses should be able to plan their tax affairs with some certainty. Clauses should not be sprung into Finance Bills, retrospectively changing the law, to deny companies exemptions or advantages in the tax system that they legitimately believed that they could make use of. If we breached that principle, we would undermine the rule of law on which the whole tax system is based. If taxpayers feel that the Government will introduce retrospective legislation every time that they find a legal way to use the tax system to their advantage, they will eventually feel that they are unable to challenge the Government through the court of law on the tax system. The costs of doing so

may be great, but we could lose an important constitutional test and a brake on the power of the Executive to raise tax at their whim. That is what is at stake.

Will the Minister confirm that the problems that we highlighted with the original phrasing of the clause, in terms of the ordinary call provisions for securities, and the possible effect of the introduction of a withholding tax are dealt with by the new phrasing of the clause? I look forward to her response.

6.20 pm

Mrs. Roche: I am surprised by the remarks of the hon. Member for Guildford (Mr. St. Aubyn), who gave his version of what happened in Committee. It was an interesting version, and there are always many different historical interpretations of what has happened.

In Committee, I said that when we had consulted on this complex proposal, we received representations from the financial sector. It appeared that the way in which the clause had been drawn went too wide and was taking in some matters that we did not wish to be included. Therefore, in consultation with the industry, we made some new proposals and we have had a favourable reception. That is another example of how this Government listen—unlike the previous Government.

I remind the hon. Member for Guildford that the Tory Government tried to introduce this measure, and that this Government, once again, have had to deal with some unfinished business that the Conservative Government were unable to get through.

The hon. Gentleman asked why the resolution was retrospective. Clause 61 was founded on retrospective resolutions, and operates from 15 February 1999, when it was announced—a few weeks before the Budget. In that sense, it is technically retrospective. The Conservative Government did this on many occasions to stop tax avoidance, which was the right thing to do.

If the hon. Member for Guildford wants to honour the pledge of the shadow Chancellor on public spending, making sure that proper tax avoidance measures are in place is the right thing to do. I had hoped that he would give us some credit because we propose to make the clause—which takes effect from 15 February—less wide ranging. As to the other matters that he raised—yes, I can assure him on both those points.

Question put and agreed to.

Orders of the Day

Finance Bill

Not amended in the Committee, and as amended in the Standing Committee, considered.

New Clause 7

FIRST-YEAR ALLOWANCES FOR INVESTMENT IN NORTHERN IRELAND

'.—(1) In section 22 of the Capital Allowances Act 1990 ("the 1990 Act") (first-year allowances), in subsection (3CC) (which restricts the expenditure on machinery and plant for use in Northern Ireland which is eligible for 100 per cent. allowances), after paragraph (b) there shall be inserted "; or

(c) expenditure on the provision of a goods vehicle for the purposes of a trade which consists primarily of the conveyance of goods; or

(d) unauthorised expenditure on the provision of machinery or plant for use primarily in—

(i) agriculture, fishing or fish farming, or

(ii) any relevant activity carried out in relation to agricultural produce, fish or any fish product for the purpose of bringing it to market."

(2) After subsection (3CC) of that section there shall be inserted—

"(3CD) For the purposes of subsection (3CC) above—

(a) expenditure is unauthorised expenditure unless it is authorised, for the purposes of subsection (3CA) above, by the Department of Agriculture for Northern Ireland; and

(b) 'relevant activity' means transportation, storage, preparation, processing or packaging.

(3CE) An authorisation given, for the purpose of subsection (3CA) above, by the Department of Agriculture for Northern Ireland—

(a) may be given either specially (that is to say, so as to apply only to a specified item of expenditure or a specified person) or generally (that is to say, so as not only so to apply);

(b) may, if given generally, be modified by that Department; and

(c) may in any case be absolute or conditional."

(3) In subsection (10) of that section, after "section" there shall be inserted—

"'agriculture' and 'agricultural produce' have the same meanings as in section 6 of the European Communities Act 1972;

'fish' includes shellfish;

'fish farming' means the intensive rearing, on a commercial basis, of fish intended for human consumption;

'fishing' means a trade, or part of a trade, which consists of the catching or taking of fish;

'goods vehicle' has the same meaning as in the Road Traffic (Northern Ireland) Order 1995;".

(4) In section 22B of the 1990 Act (withdrawal of first-year allowance on change of use)—

(a) in subsection (2)(a), for "the period of two years beginning with the date of the incurring of that expenditure" there shall be substituted "the relevant period"; and

(b) after subsection (2) there shall be inserted—

"(2A) In subsection (2) above 'the relevant period' means—

(a) where the expenditure concerned exceeds £3.5 million, the period of five years beginning with the date of the incurring of that expenditure, and

(b) in any other case, the period of two years beginning with that date."

(5) After section 22B of the 1990 Act there shall be inserted—

"Disclosure of information in connection with first-year allowances

22C.—(1) No obligation as to secrecy or other restriction on the disclosure of information imposed by statute or otherwise shall prevent—

(a) the Board or an authorised officer of the Board from disclosing to the Department of Agriculture for Northern Ireland ('the Department') or an authorised officer of the Department, or

(b) the Department or an authorised officer of the Department from disclosing to the Board or an authorised officer of the Board,

information for the purpose of assisting the Board in the carrying out of their functions with respect to claims for capital allowances made under section 22 by virtue of subsection (3CA) of that section or, as the case may be, the Department in the carrying out of its functions under that section.

(2) Information obtained by virtue of a disclosure authorised by this section shall not be disclosed except—

(a) to the Board or the Department or to an authorised officer of the Board or of the Department; or

(b) for the purposes of any proceedings connected with a matter in relation to which the Board or the Department carry out the functions mentioned in subsection (1) above."

(6) The preceding provisions of this section have effect in relation to every chargeable period ending on or after 12th May 1998.'.—*[Mrs. Roche.]*

Brought up, and read the First time.

6.27 pm

The Financial Secretary to the Treasury (Mrs. Barbara Roche): I beg to move, That the clause be read a Second time.

In last year's Finance Act, we introduced a measure to give 100 per cent. first-year capital allowances for small and medium-sized businesses investing between 12 May 1998 and 11 May 2002 in machinery or plant for use in Northern Ireland. The legislation does not come into effect until a day to be appointed by the Treasury. This was necessary to allow time to make sure that the measure would not be anti-competitive.

It is now apparent that some modifications are needed to the scope of the measure to bring it into line with competition law. New clause 7 will make the necessary changes. Once made, we expect to receive confirmation from the European Commission that the measure is not anti-competitive. This will allow us to appoint the day and to bring the legislation into effect. Once that is done, the 100 per cent. first-year allowances may be claimed on any expenditure in the qualifying period.

It may be helpful, and for the convenience of the House, if I outline briefly the areas of change. On transport, the 100 per cent. first-year allowances were never intended to apply to expenditure on machinery and plant for leasing or letting, hire cars, long-life assets, sea-going ships, railway assets or aircraft. New clause 7 will expand the exclusion to cover transport assets, such as lorries or containers used in the freight haulage business. It will not affect the entitlement to allowances on transport assets in other types of business, such as delivery vans of retail businesses, mobile shops or tourist buses.

As for the agriculture and fisheries sectors, the new clause will mean that 100 per cent. first-year allowances will be available only on investments authorised by the Department of Agriculture in Northern Ireland, as compatible with competition law in the Department.

As for large investments, under the normal rules, the 100 per cent. allowance will be clawed back if the asset begins to be used primarily outside Northern Ireland within two years of the expenditure being incurred. For exceptionally large investments, the new clause will extend that claw-back period to five years. The changes are required to ensure that the measure comes within competition rules while retaining the maximum benefit for Northern Ireland businesses.

Mr. Michael Jack (Fylde): Will the Minister expand on the conflict with competition law, which she used as a generic term? Which competition law is causing the problem?

Mrs. Roche: I am talking about state aids, as the right hon. Gentleman will be aware. Rightly, and understandably, the Commission has an interest in this matter. It has always been the policy of this Government—and, to be fair, of the previous Government—to be vigilant on state aids so that protectionism is not let in by the back door. We must make sure that the measures are compatible.

I commend the new clause to the House.

Mr. David Heathcoat-Amory (Wells): It is significant that we have been debating for more than two hours before getting to the Government new clauses. That is because of the wholly unprecedented number of money resolutions that the Government have tabled at this late stage. By definition, money resolutions are tax raising. To have eight tabled at the start of the Report stage shows not only that we have a tax-raising Government and that we have had a series of tax-raising Budgets, but that we now have tax-raising Report stages.

Rightly, we have examined some of the money resolutions, and we can now approach the stage where we can look at the new clauses. I am interested in this one, as it restricts the ability of businesses in Northern Ireland to reduce their tax burden through the use of 100 per cent. first-year capital allowances for small and medium-sized enterprises.

The measure was announced last year by the Government, and was passed in last year's Finance Bill. It has been approved by the House, but we now learn that it was not brought into effect because of possible problems with competition law.

My right hon. Friend the Member for Fylde (Mr. Jack), in an acute intervention, asked exactly what that meant. He got a reply, but I am not sure that the Financial Secretary was entirely accurate. I ask the question rather than make the allegation. It is possible that she was a little disingenuous.

6.30 pm

We know that the 100 per cent. first-year allowance conflicts not with United Kingdom competition law, but with the requirements of the European Union business taxation group, chaired by the Paymaster General, who confirmed in a parliamentary answer that the subject of first-year allowances for businesses in Northern Ireland is being investigated by the group.

If the group concludes that the allowances conflict with the requirements of fairness and tax competition, they could be withdrawn, which is a serious matter. It is time that the Government came clean about the EU group, because the allowances are not the only measure in the Budget that could be hit. For example, the 40 per cent. first-year allowances for small and medium-sized enterprises in the rest of the United Kingdom were debated in Committee upstairs without Ministers mentioning the fact that they, too, are under investigation by the business taxation group.

More recently, I asked how many British tax measures were under review by the group. It took the Treasury nearly a month to come up with the answer, which is surprising, as the Paymaster General chairs the group. Eventually, she confirmed that eight measures were under investigation, including measures relating to the film industry, which, again, we debated in Committee without knowing the full facts; enterprise zones, which should be of interest to Labour Members who believe in industrial regeneration; and the 100 per cent. first-year capital allowances for small and medium-sized enterprises in Northern Ireland.

The House, extraordinarily, is being asked to pass certain tax measures while at the same time a European Union tax committee, chaired by a Treasury Minister, is sitting in secret—the agenda and minutes are not published—and may require those measures to be repealed or withdrawn. This is an important constitutional issue and the House must have an explanation. The Government have agreed in advance to abide by the tax committee's decisions, so it is not an advisory group.

We know that because the matter was debated in 1997 and the Government published an explanatory memorandum. In its report on the matter, the Scrutiny Committee said that

"the Government would agree to the code only 'if it intended to honour it'."

The Government have agreed to the code on business taxation, so they must have agreed to honour it. Will the Financial Secretary confirm that it follows that, if the business taxation group rules against the capital allowances for businesses in Northern Ireland, the Government will withdraw them?

Sir Teddy Taylor (Rochford and Southend, East): Can my right hon. Friend think of any possible reason why the Government should not publish the reports of the code of conduct committee, given that the latest one, published in May, contains a series of additional measures? Is not it an insult to democracy and to all that we are meant to stand for that the Government are agreeing to measures on so-called tax loopholes without the House of Commons or the people being told? Will he invite the Government to publish the most recent report, which I happen to have in my hand because I got it by devious means?

Mr. Heathcoat-Amory: I entirely agree. The House deserves to know what tax measures are being discussed elsewhere, as it practically came into existence to take the means of taxation away from the Crown or the Executive and put it in the hands of those who are answerable to the electorate. My hon. Friend is seeking to assert an ancient right.

The Government have made much of their commitment to openness and "Your Right to Know". I think that they even plan to introduce a Bill to allow the people to know what is being done in their name. It would be a good start if the Government could tell us what tax measures are under review.

The parliamentary answer to which I referred made it clear that the measures that it lists are drawn only from the group's initial list. As my hon. Friend the Member for Rochford and Southend, East (Sir T. Taylor) said, there are other lists. I believe that some energetic web surfer discovered a list of more than 200 European—not all British—tax measures that are under review by the secret committee chaired by the Paymaster General. Will the Financial Secretary publish a comprehensive list of the British measures?

Will the Financial Secretary confirm that the restrictions in the new clause, which would cut back the scope of the allowances as agreed last year, were introduced in response to fears about the EU committee, so that bringing our measures into line with the requirements of European competition law really means bringing them into line with the requirements of that committee? Why else have the restrictions been introduced? The allowances were announced last year to a great fanfare and passed by the House.

The allowances are being restricted in areas in which the situation in Northern Ireland has got worse, such as haulage. The Government's tax measures on road fuel have made the haulage industry uncompetitive, and the problem is especially acute in Northern Ireland, which has a land border with another member state, so the industry can easily be undermined by lorries using cheaper fuel from the Republic We know that a great deal of fuel smuggling goes on there; the Government will not even give us an estimate of how much, but we know that the problem is serious and worsening.

The same applies to agriculture and fisheries. Northern Ireland faces the same problems as the rest of the United Kingdom, so the case for restricting allowances there has not been made. We strongly suspect that the restrictions are designed to bring us more in line with the requirements of the EU tax committee.

I have another question for the Minister. The terms of the new clause indicate that the capital allowances for agriculture are to be restricted in a way that is devolved to the Department of Agriculture for Northern Ireland. That is somewhat remarkable, as it means that the power, not only to authorise specific items of expenditure on agriculture, but to specify persons, is to be at the discretion of that department. Officials in that department will be able to decide that one person gets the capital allowance, but that another person does not. That is a remarkable provision for the House to approve: instead of setting out tax liabilities in rules and regulations, we are now devolving that power to the say-so of officials at the Department of Agriculture for Northern Ireland. Perhaps the Minister can tell us why the rules cannot appear on the face of the new clause.

[Mr. Heathcoat-Amory]

My real point is that we are beginning to see the results of the Government's weakness in respect of European Union tax harmonisation. In 1997, they agreed to a code and they said that they would abide by it. Now, although the Government proudly announced certain tax measures last year and now want to introduce them, those measures are under review by that tax committee. In effect, the judgment of the House on matters of taxation has become subservient to a European Union committee over which we have no control. Those are the facts and we require an explanation.

Mr. Edward Davey (Kingston and Surbiton): I apologise for not having been in the Chamber for the first minute of the Minister's speech introducing the new clause.

I agree with some of the points made by the right hon. Member for Wells (Mr. Heathcoat-Amory), especially those relating to the secrecy surrounding the group that meets in Europe, because I believe that all the committees that meet in Europe should be far more open than they have been. It is possible that, when the right hon. Gentleman was a Treasury Minister and attended meetings of ECOFIN in Brussels, he pushed for greater openness about the proceedings of that committee, but I doubt that he did so. If I am wrong, I should be more than happy to take an intervention from him. The Conservative Government did not have a good record on pushing for greater openness in Europe, and I hope that the current Government will do a better job in that respect.

I disagree when the right hon. Gentleman questions the purpose of the tax committee, because there is a need to examine how state aid is allocated and whether specific forms of state aid meet the requirements of competition law. Competition law is a bulwark of the single market. It is astonishing that, in the Chamber and in Committee, the right hon. Gentleman has argued continuously against bodies such as the tax committee, given that he is—I assume—in favour of the single market. It is astonishing for the Conservatives to be in favour of free trade and of the single market, but against those mechanisms of the European Union that are designed to make the single market work more effectively, including by abolishing state aid. The Conservatives are supposed to oppose most forms of state aid, so it is astonishing that the right hon. Gentleman does not support the EU in trying to get rid of state aid which has, historically, been used by other EU member states in ways that are to the detriment of British jobs and industry. I should have thought that the ideological position adopted by the Conservatives would lead them to be in favour of the sort of approach embodied in that European committee.

That does not mean that we should not voice concerns about specific measures laid before the House, and new clause 7 did cause me some concern when I read it and the explanatory notes, especially because, as the right hon. Gentleman said, it removes first-year allowances for investment in the road haulage industry. As we heard in earlier debates on the Finance Bill, the road haulage industry in Northern Ireland is in great trouble, because of the differential vehicle excise duties and fuel excise duties charged in Northern Ireland and in the neighbouring country across the land border, the Republic of Ireland. Now seems an especially inappropriate time to remove allowances, and my questions to the Minister focus on that issue.

6.45 pm

Can the Government think of no other way—for example, through capital allowances or direct grants—to support the road haulage industry in Northern Ireland as it attempts to tackle the problems that are specific to it, rather than generally affecting the mainland road haulage industry? Does the subsection to which the right hon. Member for Wells referred, which would give the Department of Agriculture for Northern Ireland powers to make specific grants, offer a means of enabling the Government and civil servants to provide help to the Northern Ireland road haulage industry? Obviously, it would be limited to that section of the industry that is related to agricultural transportation, but it might offer a means of helping at least one part of the industry.

I accept that rules for the application of tax law should appear in legislation, rather than administrative laxity or freedoms allowing civil servants in departments to hand out allowances for specific expenditures. That is not the best way to proceed. However, in the present circumstances of the Northern Ireland road haulage industry encountering great difficulties, that power—if it can be used in the way I suggest and remain in accordance with competition law—might offer Ministers a means of helping that industry, for example, by helping it to convert to fuel-efficient lorries.

I hope that the Minister will answer my points when she winds up the debate. She should not listen to the protestations of the right hon. Member for Wells in respect of the wider issues.

Mr. Geraint Davies (Croydon, Central): At this historic time, as we look toward a peace settlement in Northern Ireland, I am sure that the whole House would welcome any extension of preferential treatment in terms of capital allowances that focused on small and medium-sized enterprises in Northern Ireland. The new clause strikes a balance between acting in accordance with competition law and doing too much and risking accusations of providing state aid that distorts competition. The result is that we can promote industrial prosperity in Northern Ireland while abiding by competition law.

The Conservatives' view seems somewhat schizophrenic. On the one hand, they say that we should have nothing to do with the Europeans and their competition law; on the other hand, they are the first to accuse other European countries of giving unfair subsidies that make our industry uncompetitive. Perhaps we should be accustomed to the Conservatives holding such a contradictory position. We all want fair competition and we all want to support peace in Northern Ireland. Offering preferential treatment to SMEs in Northern Ireland offers a way ahead that fits in with European competition policy, which is much to be applauded. I welcome the new clause.

Sir Teddy Taylor: The House should realise what it is about tonight. On 12 May 1998, the Chancellor of the Exchequer announced his intention to introduce 100 per cent. first-year capital allowances for spending by small

and medium-sized businesses on machinery and plant for use in Northern Ireland. That was carefully thought out—the Government did not simply shove the measure on the table and then phone up their friends in Brussels to ask them whether it was fair and reasonable.

As I hope that the hon. Member for Croydon, Central (Mr. Davies)—whose speech was so fascinating—appreciates, although the scheme was carefully thought out before being announced by the Government, it has not yet been activated—it has not happened yet. I am sure that he is having a jolly discussion with the hon. Lady sitting behind him, but I hope that he has heard that simple point. Despite that, and although there has been consultation, the Government are now saying that they got it wrong and will have to change it substantially.

The Government are removing the 100 per cent. first-year allowances for transport assets. Why would they do that? Has the road haulage industry had a wonderful time? Is it subject to special preference? We all know that the road haulage industry has had massive new taxes imposed on it, so why are the Government discriminating against it in this measure?

On agriculture and fisheries, the 100 per cent. first-year allowances will be available only for investments authorised with the Department of Agriculture for Northern Ireland as being compatible. The 100 per cent. first-year allowances will be withdrawn if the asset begins to be used outside Northern Ireland within two years of the expenditure being incurred. How on earth will that be implemented? Will the Government introduce passports for machinery, so that, if machinery is moved from Northern Ireland to, for example, Scotland, they can make a note of that and ensure that the allowance is withdrawn?

Those are extraordinary measures, and we should ask ourselves why there is panic and why legislative changes are being made to bash road haulage and to introduce a passport for machinery to ensure that it is not transferred, even for a few days, from Northern Ireland to Scotland. Frankly, that is nutty.

As hon. Members are well aware, I have never been a great fan of grants and allowances in any form. However, the Government are changing a sensible scheme that was carefully thought out and approved by the House. The scheme is very detailed. It says that, to qualify as small and medium-sized enterprises, businesses have to meet two of the following three tests: they have to have an annual turnover of not more than £11 million; they have to have assets of not more than £5.6 million, and they have to have not more than 250 employees. The miracle men of the Treasury had worked out a reasonable, sensible scheme, and the Government are now introducing these rather strange changes before the scheme has even started. I hope that Members will ask themselves, "Why are the Government doing that?"

The Government are not introducing the changes because they are stupid or nasty, although all Governments can, to some extent, be stupid or nasty. Something has happened or someone has said that they must change the scheme. It is pretty obvious that the Government have been involved in discussions in Europe in secret committees, and that they have not been publishing the resulting papers. A report of the code of conduct group was mentioned in the Treasury Sub-Committee only last week. I said that I had heard that there was a great plan to tell us about unfair tax discrimination and that there was a report on that. I asked whether it was possible to get hold of that report and I was told "No. Such reports are secret and they are not available."

I have a great friend, a brigadier in Gloucestershire, who can always get secret reports if I particularly want them, so I got that report. I have it in my hand. It is not available to the public. It says that there have been two reports of the code of the conduct committee, which is chaired by the Paymaster General.

One report classified items of tax competition that the committee felt were unfair, unreasonable and wrong. Four proposals were made. The first related to the film industry. The poor old film industry had better watch out, because it is going to get clobbered. The second related to tax relief on shipping, and I warn that industry that it, too, will be clobbered. The third related to enterprise zones and the fourth to first-year capital allowances in Northern Ireland. Those were identified by that secret EU committee as one of the flaws in the tax arrangements.

I am sure that you will rule me out of order if necessary, Mr. Deputy Speaker, but what worries me is the contents of the second report of that committee, which are alarming and terrible. When they become public, people will be upset.

As you know, Mr. Deputy Speaker, I had rows with the previous Government just as I do with this Government. Why the blazes will they not tell the people the truth about what is happening in Brussels? Why the blazes will they not publish the reports as they emerge? I am sure that the Government will say that the reports do not require them to take action. We all know what is happening with tax harmonisation and we all know what is being forced on us. We all know what is coming in by the back door, and it is time that people told the truth. I am sure that the Government are exactly the same as the previous Government, and they should tell people what is happening. I ask the Minister why those reports cannot be published. Why cannot the report for which I asked, which emerged in May, be published? Why cannot the Treasury Sub-Committee get hold of it?

I am sorry, Mr. Deputy Speaker, if I am getting bad-tempered in my old age, but what is happening in the House of Commons is appalling. People are not being told what is happening. The Government are making announcements and we are debating measures about which we can do nothing. Although there may be a case for throwing away our democracy, we should be consulted.

Mr. Geoffrey Clifton-Brown (Cotswold): Does my hon. Friend agree that there is a parallel between this case and the publishing of the minutes of the Bank of England Monetary Policy Committee? If those minutes can be published, why cannot the minutes of the committees to which he refers also be published?

Sir Teddy Taylor: It is interesting to read the minutes of the Monetary Policy Committee, and I agree with my hon. Friend that the more we publish, the better. We do not want secret information but, if the Government are saying that there are tax mistakes or unfair forms of taxation, Parliament and the people should be told.

[Sir Teddy Taylor]

Part of the latest report concerns the Channel Islands, and, frankly, I should not like to have any money invested in the Channel Islands now—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I have given the hon. Gentleman considerable leeway. He is, of course, entitled to make his point about the new clause, but he is not entitled to debate the generality of his argument about secrecy and openness. The new clause concerns first-year allowances for investment in Northern Ireland, and his remarks must relate to that.

Sir Teddy Taylor: I am sorry, Mr. Deputy Speaker. I mention discussions in Europe only because the report specifically says that our grants to Northern Ireland industry are considered wrong and unfair by the code of conduct committee. If we cannot mention that, I do not know why we are in the House of Commons at all. It may be said that the reports are not public and that people cannot get hold of them, but they exist and they arise from meetings that have taken place.

I am very sorry that, for the first time since I came here in 1964—which was a long time ago—I have had a dispute with the person in the Chair. It is not my practice to fall out with those who are in the Chair. However, something very nasty and wrong is happening, and I find it appalling that the Minister can say that the Government have suddenly decided, for no apparent reason, that the allowances that they agreed only last year and that have not yet been introduced must all be changed.

The Government will no doubt say that they are not legally obliged to implement the conclusions of the code of conduct committee, but that committee regards four specific items as contrary to tax harmonisation, and we do not know about many of its other conclusions, so, although I shall achieve nothing in relation to the new clause and I shall probably fall out with more people than ever before, I urge the Government, at the very least, to start publishing the committee's reports. They know that those reports will, in any event, become public. I have the latest report, which has not yet been published, and I am sure that someone else will get hold of the next one.

Why cannot Parliament be told what the Government are discussing? Why cannot we be told what agreements are being made on taxation? Having spent 35 years in the House and discussed many matters, I find it sad that people are not being told about such agreements and that we spend a great deal of time discussing things that we can do nothing about. We are—inadvertently, I am sure—being misled about the origin of the changes introduced in the new clause. I hope that other hon. Members will ask themselves why the Government suddenly want to change a detailed scheme that was introduced in 1998, before it has even been implemented. There is something wrong in that, and I hope that my colleagues will pick up on that.

7 pm

Mr. Jack: This is an intriguing new clause. I hope that the Financial Secretary will be able to shine a little light into what, from the speeches so far, seem to be increasingly murky waters.

One of the things that worries me in overall terms is that, as my hon. Friend the Member for Rochford and Southend, East (Sir T. Taylor) said, something was introduced after careful thought in order to confer a tax advantage on one part of the United Kingdom, yet, for the reason that the Minister described in response to my intervention—it offends competition law—it is being changed. She also prayed in aid state aids. I am now less clear about the matter than I was before she replied. If the Financial Secretary will do me the courtesy of listening, I should like to ask her why, for example, 100 per cent. scientific research allowances that are available in Northern Ireland are not affected by the proposals.

In general, two important tax principles are raised by the new clause. One is whether giving any 100 per cent. allowances contravenes the currently unspecified competition laws. The second is whether a sovereign member of the European Union choosing to grant a tax advantage to one area within its own boundaries runs foul of our position in the EU.

I have always understood that one of the principles that one operates in tax in this area is that of fiscal competition. My understanding is that, up to now, a country wishing to confer certain capital allowances for certain purposes on certain tax regimes has never been challenged; we may have whatever allowances we like. It is difficult to answer why we appear to be corrupting that advantageous position by the new clause. The Financial Secretary must spell out very clearly how competition law interacts with the sovereign right of the UK to levy its own tax rates.

We are facing harmonisation by the back door. The Financial Secretary winces, but she will know that, when I was in the Treasury, all our EU partners—certainly the major players who valued independence of their tax-determining regimes—would have fought tooth and nail the case of Hoechst *v.* the European Union on a matter connected with corporation tax because they did not want somebody else determining their tax law.

If, as my hon. Friend the Member for Rochford and Southend, East says—he and I have not always agreed on matters European—there has been a change of Government policy, let us have it out in the open. It is no use the Financial Secretary shaking her head. One of the values of these debates is that we may tease out any new interaction between competition law and tax law, with which the new clause deals.

I should like a specific answer to the question how, for example, Northern Ireland can benefit from a 100 per cent. scientific research allowance but cannot benefit from the original proposal. Will the Financial Secretary spell out the competition laws that are corrupted by the proposed state aid?

We know that one country may confer a benefit through the tax system, but another may do so by another mechanism. It is certainly of interest to those in the Department of Agriculture for Northern Ireland to know of the disquiet among Northern Ireland pig producers over the moneys that were passed to French pig producers in connection with difficulties faced in the French industry. The £150 million that the French Government passed to their pig producers was supposedly to deal with restructuring their industry. The French Government may have decided to deal with that matter via a tax allowance. Similarly, we may have responded by giving our pig industry a tax allowance for various matters such as welfare.

Has there been any attempt in framing the new clause to ensure that there is equivalence of help across the EU, given that we may choose to help an industry via tax allowances, but another member state may deal with such a situation by another method? I am now more confused than ever in understanding how there can be parity of competition. The example that I quoted is not hypothetical; it a real issue that affects pig producers not just in Northern Ireland but in the United Kingdom generally.

It might have been helpful if the Financial Secretary in her opening remarks had compared and contrasted capital allowances north and south of the border. By and large, the use of assets, particularly agricultural assets, is the point of comparison. I would have liked to have known that we were not disadvantaging ourselves in Northern Ireland by the proposed measure.

I turn to an aspect on which my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) touched in his pertinent and perceptive comments. In tax terms, this is a highly unusual measure. DANI is to make statements on what qualifies for tax allowances. Can the Financial Secretary tell me whether those judgments are challengeable via the commissioners of the Inland Revenue? It strikes me that we have a one-way street. DANI will be able to make judgments—there is no definitive list in the new clause—but there appears to be no mechanism for challenging them. The only way in which taxpayers may normally deal with such circumstances is to challenge an Inland Revenue ruling through the commissioners. I am not clear whether that mechanism will be open to people in this matter.

The proposed subsection (3CE) is even more mysterious. It says that DANI authorisations

"may, if given generally, be modified by that Department",

and

"may in any case be absolute or conditional."

Does that mean that DANI, or someone else giving an interpretation of the new clause, will be allowed a second bite at a ruling? It sounds to me as if some conditional ruling could be given, hinting that an allowance might be included, but subsequently modified or omitted. That is a recipe for, to say the least, a lack of clarity and certainly a lack of precision in operation. I, for one, would like some clarification.

I do not understand how a fiscal activity puts us in contravention with competition laws when we already have an ability to set sovereign rates of tax as we choose. I underscore the importance that I attach to being given clear explanations of why we thought that the legislation as originally drafted was all right, but we are now told that it must be modified by new clause 7.

Mrs. Roche: This has been an interesting debate. If one had heard the opening remarks of the right hon. Member for Wells (Mr. Heathcoat-Amory), one would have thought that the Conservative party was in favour of first-year capital allowances. However, the right hon. Gentleman neglected to point out that, in 1984, Lord Lawson, then Conservative Chancellor of the Exchequer, phased out 100 per cent. first-year allowances.

Of course I understand the speech made by the hon. Member for Rochford and Southend, East (Sir T. Taylor); I assure him that I have a great regard for him and have no intention of falling out with him. However, I want to make it clear to all right hon. and hon. Members who have spoken that, although the Northern Ireland measures were notified to the code of conduct group that is chaired by my hon. Friend the Paymaster General, we do not believe that they represent harmful tax competition. We are considering not that group, but state aids. I point out to the right hon. Member for Fylde (Mr. Jack)—in the gentlest possible terms—that I sometimes wonder whether we inhabit parallel Treasuries. The state aid rules were in place when we joined the EU. Any aid, including fiscal aid, can be found to be a state aid. That has always been the case; it was certainly the case when the right hon. Gentleman held the position of Financial Secretary to the Treasury.

Sir Teddy Taylor: As the hon. Lady has suggested that the Government may not have reported this matter to the code of conduct committee, will she ask her officials to read page 63 of the committee's report, published on 25 May, reference 8231/99? The report gives the clear impression that the matter was one of a small number of alleged, harmful tax competition measures presented to the committee by the UK Government. I realise that Ministers sometimes do not see such reports, but it is there in black and white.

Mrs. Roche: I am grateful to the hon. Gentleman for that intervention, but perhaps he did not hear me correctly. I said that the matter had been notified to the committee. However, we are dealing not with that group, but with the normal rules on state aids, and I shall deal with that during my remarks.

Mr. Heathcoat-Amory: The issue is not whether the matter was notified to the committee, but whether the committee is investigating it as potentially harmful to tax competition. We submit that it is the latter; the matter is under review and hence may be withdrawn by the Government, under the assurance that they have already given that they would abide by the outcome of the committee.

Mrs. Roche: The right hon. Gentleman is entirely wrong; the premise of his speech was wrong. It is not the code of conduct group that is at issue, but state aids. I realise that the right hon. Gentleman views that group as a vast conspiracy. Let me allay his fears. I am afraid that he goes home at night wondering whether the code of conduct group is following him. With my long experience as a constituency Member of Parliament, I have regularly had to reassure my constituents as to such fears. I am anxious to reassure him that it is not a problem.

When we introduced the measure, we said in our press release that it would need to be cleared with the European Commission as a potential state aid. Could we have been more open than that? It was clear from the start. State aid rules arise within the framework of Community competition policy and have a legal basis in the provisions of the treaty of Rome. The provisions make illegal any non-approved aid given by a member state in any form that distorts, or threatens to distort, competition by favouring certain businesses or regions, or the production of certain goods—that has always been in the treaty. The EC enforces state aid rules and approves certain state aids that are compatible with the common market.

[Mrs. Roche]

In my introductory remarks, I pointed out that the Government support a tough stance on state aid. We have consistently supported initiatives both to tighten the state aid rules and to improve their implementation, with the overall aim of reducing distortions in the single market and of improving competitiveness in Europe. I think that the hon. Member for Rochford and Southend, East acknowledged that in his remarks. We introduced the 100 per cent. first-year allowances and the enabling legislation last year, to give a clear signal of our support for new investment in Northern Ireland. That is what it was all about. As we made clear in the press release, we knew that we should need to clear the measure with the Commission before it could be brought into effect.

I want to spell out that there would have been no point in restricting the scope beforehand. As the House is aware, the state rules are complex, and subject to negotiation. We bid high, knowing that we might have to compromise and settle for less at the end of the day. However, we rightly wanted to get the best possible deal for small businesses in Northern Ireland—as any Government would want to do. Given recent events, I am sure that the House is united in wanting prosperity for Northern Ireland.

7.15 pm

Mr. Clifton-Brown: I have listened carefully to the Financial Secretary's remarks. She pointed out that the state aid rules are extremely complicated. Indeed, the European Court does not operate on the basis of precedent like our own courts; it can overrule its previous decisions. It seems, therefore, that DANI will have an impossible job in trying to judge, at the margins, whether those decisions come under the state aid rules. It will surely always have to rule against the decisions coming under those provisions. Will the hon. Lady explain how DANI will be able to make decisions?

Mrs. Roche: When one is dealing with matters that are the subject of debate within the EU, such as agriculture, of course one needs tight rules. However, I am sure that the hon. Gentleman will agree that the Department is expert in such matters. When the rules are applicable, we want businesses to take advantage of them.

The road haulage sector was mentioned. There will be limited impact on hauliers, because most road haulage in Northern Ireland is cross-border or international, and hence would not have met the condition in the provisional measure that assets must be used primarily in Northern Ireland. The new clause excludes only vehicles and containers from the scope of first-year allowances; the road haulage sector will still be able to claim 100 per cent. first-year allowances on other assets. I know that that will be of interest to the industry.

Under the treaty of Rome, there are strict rules on state aids for agriculture; that is why the provisions relating to DANI are included. However, there will be a right to go before the Commissioners.

The new clause is extremely sensible; we have tried to achieve the best possible deal for businesses in Northern Ireland. I commend it to the House.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 15

OIL TAXATION: QUALIFYING ASSETS

'.—(1) Subsection (2) below applies where—

(a) an asset which is not a mobile asset is a qualifying asset for the purposes of the Oil Taxation Act 1983 in relation to a person ("the taxpayer") who is a participator in an oil field ("the field");

(b) tariff receipts or disposal receipts of the taxpayer which are referable to the asset are attributable to the field for a chargeable period ("the earlier period");

(c) receipts of the taxpayer which are referable to the asset for a subsequent chargeable period ("the later period") would not, apart from this section, be tariff receipts or disposal receipts attributable to the field for that period as a result of—

(i) the taxpayer's ceasing to be a participator in the field; or

(ii) his becoming a participator in another oil field; and

(d) not more than two chargeable periods intervene between the earlier period and the later period.

(2) The Oil Taxation Acts shall have effect, in relation to the later period and any subsequent chargeable period, as if—

(a) receipts of the taxpayer which are referable to the asset for the period concerned were tariff receipts or disposal receipts attributable to the field for that period; and

(b) in a case falling within subsection (1)(c)(i) above, the taxpayer continued to be a participator in the field.

(3) Subsection (4) below applies where—

(a) an asset which is not a mobile asset is a qualifying asset for the purposes of the Oil Taxation Act 1983 in relation to a person ("the taxpayer") who is a participator in an oil field ("the field");

(b) tariff receipts or disposal receipts of the taxpayer which are referable to the asset are attributable to the field for a chargeable period ("the earlier period");

(c) in a subsequent chargeable period ("the later period") the taxpayer disposes of—

(i) the asset; or

(ii) an interest in the asset,

to another person ("the transferee") in circumstances such that section 7 of the Oil Taxation Act 1983 does not apply to the disposal; and

(d) not more than two chargeable periods intervene between the earlier period and the later period.

(4) The Oil Taxation Acts shall have effect, in relation to the later period and any subsequent chargeable period, as if—

(a) receipts of the transferee which are referable to the asset for the period concerned were tariff receipts or disposal receipts attributable to the field for that period; and

(b) the transferee were a participator in the field.

(5) Subject to subsection (6) below, any reference in this section to receipts of any person which are referable to the asset for a period is a reference to any sums which—

(a) are received or receivable by that person in that period in respect of the use of the asset, or the provision of services or other business facilities of whatever kind in connection with its use; or

(b) are received or receivable by that person in respect of the disposal in that period of the asset, or an interest in the asset.

(6) In a case falling within subsection (3)(c)(ii) above—

(a) any sums which are received or receivable by the transferee otherwise than by virtue of his acquisition of the interest shall not be regarded for the purposes of subsection (4) above as receipts of his which are referable to the asset for any period; and

(b) for the purposes of paragraph (a) above, such apportionment shall be made as may be just and reasonable.

(7) This section shall be construed as one with Part I of the Oil Taxation Act 1975; and in this section "the Oil Taxation Acts" means—

(a) the enactments relating to petroleum revenue tax (including this section);

(b) Chapter V of Part XII of the Taxes Act 1988 (petroleum extraction activities); and

(c) sections 62 to 65 of the Finance Act 1991 (oil industry).

(8) Nothing in this section shall be taken to affect the meaning of "participator" in paragraph 4 of Schedule 2 to the principal Act.

(9) Subject to subsection (11) below, subsection (1) above applies where—

(a) the disposal by virtue of which the taxpayer ceased to be a participator in the field; or

(b) the acquisition by virtue of which he became a participator in the other oil field,

was made on or after 1st July 1999.

(10) Subject to subsection (11) below, subsection (3) above applies where the asset, or the interest in the asset, was disposed of on or after that date.

(11) Neither subsection (1) nor subsection (3) above applies where the disposal or acquisition concerned was made pursuant to an agreement which was made before 1st July 1999 and either—

(a) the agreement was not conditional; or

(b) the agreement was conditional and the condition was satisfied before that date.'.—*[Mrs. Roche.]*

Brought up, and read the First time.

Mrs. Roche: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Mr. Michael Lord): With this, it will be convenient to discuss the following: Government new clause 16—*Petroleum revenue tax: instalments.*

Government new clause 17—*Business assets: roll-over relief.*

New clause 19—*Offshore oil and gas: roll-over relief—*

'.—(1) Section 193 of the Taxation of Chargeable Gains Act 1992 is hereby repealed with effect from 6th April 1999.

(2) In section 155 of the Taxation of Chargeable Gains Act 1992 (classes of assets for the purposes of roll-over relief) after Class 8 there shall be inserted—

"CLASS 9

A licence under Part I of the Petroleum Act 1998 or the Petroleum (Production) Act (Northern Ireland) 1964.

This section applies to all licences (or interests in them) disposed of on or after the 6th April 1999.".'.

Government amendment No. 35.

Mrs. Roche: The new clauses and the amendment relate to the taxation of North sea oil and gas activities. New clause 15 prevents the avoidance of petroleum revenue tax—PRT—that could occur if tariff income, which was attributable to a PRT-paying field, were shifted to a non-PRT-paying field.

New clause 16 will maintain the monthly flow of PRT receipts from companies which, mainly as a result of new clause 15, will be participators in a PRT-paying field, although they will have no interest in the oil and gas produced by that field.

New clause 17 and the related amendment No. 35 extend capital gains roll-over to UK oil licences. That change will make it easier for the oil industry to rationalise its holdings of North sea oil licences. This will allow more scope for cost cutting and more aggressive development of new prospects.

There is evidence that some oil companies are considering restructuring their interests in North sea oil and gas fields. Due to the existing rules for charging PRT on tariffs received for the use of pipelines and other North sea oil assets, a restructuring of assets can lead to tariffs being shifted, for PRT purposes, from the current chargeable field to a different field.

Where the tariffs are currently attributable to a field that pays PRT, there will be an effective PRT charge on the tariffs. That PRT would be lost if the tariffs were shifted to a field that did not pay PRT. There is no justification for that loss of PRT, particularly as it would create a mismatch between the effective PRT relief already given in the PRT-paying field on expenditure on building the assets and the lack of an effective PRT charge on future tariff income.

New clause 15 prevents that PRT loss by ensuring that, where a restructuring would lead to a change in the field to which tariffs are attributed for PRT purposes, the tariffs will continue to be attributable to the current field. In addition, if the owner of the tariff-generating assets would not, following restructuring, be a participator in the field to which tariffs remain attributable for PRT purposes, he will be deemed to be a participator in that field. That will ensure that PRT can be charged in that field on the tariffs that are attributable to it.

New clause 15 is aimed at retaining the current PRT charge on tariffs which could be lost due to the restructuring of companies' interests in North sea oil and gas fields, but it should not prevent restructuring of these interests. Where there are good commercial reasons for the restructuring, new clause 15 should not prevent the companies from going ahead with it.

The total tax potentially at risk from companies being able to shift tariffs from PRT-paying fields to non-PRT-paying fields is about £100 million per year. New clause 15 will protect those tax receipts.

New clause 15 has been introduced at this stage due to the evidence that has very recently come to light about some companies considering the restructuring of their interests in North sea oil and gas fields in a way that would have led to a loss of PRT on tariff income. To protect that tax, we have had to act very quickly.

One effect of new clause 15 is that there will be more companies that are participators in a North sea oilfield but that do not own an interest in the oil produced.

PRT, as the House knows, is paid by monthly instalment. The amount of the instalment is based on the PRT liability for the previous period, and an adjusting payment or repayment is made, two months after the end of each chargeable period, to take account of any underpayment or overpayment of PRT for the current period. Where a participator in a field has not delivered or appropriated any oil in any month, he can withhold the PRT instalment that is due in the following month. That is because an oil company that has received no cash flow from the field in the previous month may not have sufficient cash to pay its PRT instalment.

[Mrs. Roche]

Companies that are deemed to be participators by new clause 15 will be able to use that rule to withhold all PRT instalments, given that, as they have no interest in the oil produced by the field, they will never have received oil in a previous month. But there is no justification for allowing a company to withhold instalments if the company has received tariff income in the previous month. New clause 16 therefore ensures that a PRT instalment for a month cannot be withheld if the participator has any tariff receipts that are received or receivable in the previous month. New clauses 15 and 16 therefore aim to protect the Exchequer from the loss of tax that would arise from tax avoidance.

New clause 17, on the other hand, extends a relief—roll-over relief—to gains that oil companies make on the disposal of UK oil licences. Roll-over relief allows a business to sell one business asset and acquire another without facing an immediate capital gains tax charge. By deferring the tax charge, the relief helps reduce the effect of tax on companies' investment decisions.

UK oil licences were removed from the scope of roll-over relief in 1987. As a result, if a company sold its interest in a UK oil licence, it was liable to an immediate tax charge on any chargeable gain that arose. That charge was levied even if the proceeds of the sale were reinvested in another UK oil licence.

Our recent discussions with oil companies have revealed that the North sea oil industry has changed significantly since 1987. There is now far more emphasis on developing mature fields, maximising the use of existing infrastructure and managing projects efficiently. In that context, the absence of roll-over relief is causing problems for companies as they seek to rationalise and consolidate their North sea interests. It is now no longer appropriate to deny roll-over relief on UK oil licences.

New clause 17 therefore repeals the 1987 legislation that excluded UK oil licences from the scope of roll-over relief. The House will be pleased to know that UK oil licences will now be put on a similar footing to most other business assets and qualify for roll-over relief. Amendment No. 35 is consequential: it includes the repeal within the list of provisions in the repeals schedule of the Finance Bill.

I hope that this news will be greeted very warmly by both sides of the House; it certainly will be by the industry. I commend the Government new clauses and the amendment to the House.

Mr. Quentin Davies (Grantham and Stamford): The hon. Lady intoned her brief like an orthodox priest intoning a liturgy in Church Slavonic which he did not understand and did not expect his audience to. She does much less than justice to the two measures that the Government are proposing. They are quite different from one another.

Mrs. Roche: As a member of the United Synagogue, I hope that the hon. Gentleman will rephrase that; I would hate him to get me into any trouble.

Mr. Davies: The hon. Lady is proposing five new measures. They are, in fact, about two quite different subjects. The first two—new clauses 15 and 16—deal with a PRT issue, and the subsequent three measures deal with a capital gains tax issue. It would be sensible to separate the two.

On the first group—new clauses 15 and 16—we have no problem in principle with a measure that is obviously designed to prevent avoidance of PRT. Let us say that a company has an asset that has benefited from PRT relief in its purchase or construction. It then gives up its interests in the production of a field, but maintains that tariff-generating asset to service the field. Under present rules, that tariff-generating asset could be allocated to a non-PRT field and so, whereas the asset had benefited from PRT reliefs in the past, the revenues generated by it would not be subject to PRT. In so far as new clause 15 restores symmetry in that respect and prevents the loss to the Exchequer of avoidable—I believe unjustly avoidable—PRT, we are very happy with it.

New clause 16 deals with the consequential case: if a company has given up its interests in the production of a field, by definition it has no production so, under the rule that says that if it has no production for two quarters it does not pay PRT, it would be relieved of paying PRT for ever. I take it that the hon. Lady, in conceiving these two new clauses, had in mind something like a gas or oil pipeline that services a number of fields and could, by this method, without new clause 16, be switched from a PRT field to a non-PRT field.

Mrs. Roche *indicated assent.*

Mr. Davies: I see that the hon. Lady endorses my interpretation. However, I would like to ask her, because it is an important point, exactly what type of assets would be involved. I take the pipeline to be a clear case in point. I see that the second line of new clause 15 excludes mobile assets. Clearly, something like a mobile drilling rig would be a mobile asset. However, what would be the position of a floating production platform? Could such a platform have benefited from PRT relief when it was installed in a PRT field? If it is shifted to another field, will it generate revenues free of PRT? I do not know whether the Financial Secretary is listening to my question but it is an important one. The House deserves an answer to it and we look forward to that.

7.30 pm

I ask the hon. Lady to be precise with the definition of assets. She was not precise in her speech, and nor were the Government in their explanatory notes. I have suggested pipelines but we want to know beyond that what types of asset would be affected. That having been established, I think that in principle the Opposition would be happy to accede to the new clause.

When I read new clause 17, I naturally thought, "Hurrah!" What is the new clause? Of course, the Government would not tell us. The Financial Secretary has not mentioned it. New clause 17 represents the Government bringing forward a provision to deliver exactly the effect for which we have been lobbying. Our new clause 19 is designed to produce exactly the same effect. It is probable that the Government heard from the industry—we consulted it on these matters last week—that we were bringing forward a new clause. No doubt the Government thought, "Right, we shall trump the Conservatives. After all, we will do the right thing ourselves."

The Financial Secretary is clearly embarrassed about this. If not, she would have mentioned the Opposition's new clause in her introductory remarks. She managed to skate over the fact that there are two new clauses on the amendment paper that would have the same effect. Both would achieve by different means exactly the same effect.

Mrs. Roche *rose—*

Mr. Davies: The hon. Lady has been rumbled and I give way.

Mrs. Roche: The hon. Gentleman has been in the House rather longer than me. However, I did not think—no doubt I shall be corrected—that it was my job when I opened the debate to speak to the Opposition's new clauses and amendments. I might be wrong, but I thought that I would leave that to the hon. Gentleman and others.

Despite all the bluster that we have heard from the hon. Gentleman, I said that the Conservative Government had removed the relief in 1987. I am extremely glad that the hon. Gentleman has come around to our point of view, but it is rather late.

Mr. Davies: The hon. Lady's attitude is astonishing. First, she is found guilty of plagiarism, and tries to hide the fact. Secondly, she introduces the Government's new clause while trying to hide from the House the fact that there is an alternative on the amendment paper which addresses the same issue but suggests a different response. My greatest suspicions are aroused by the hon. Lady's behaviour. Obviously she did not feel confident enough of her solution to the problem to want to refer to the Opposition's solution. If she thought that her solution was better and ours was weaker or less adequate than her own, she would have been delighted to speak to our new clause to explain why the Government's new clause was better. However, she did not do that.

Tonight, the House has a three-way choice. First, it can decide to do nothing and leave the present regime in place. Secondly, it can accept the Government's proposal to grant roll-over relief to North sea licences. Thirdly, it can accept the Opposition's proposal to grant North sea roll-over relief to North sea licences. The two proposals are very different.

Mr. Edward Davey: If the Government are being as opportunistic as the hon. Gentleman seems to be alleging, surely they would have done this before the Scottish parliamentary elections.

Mr. Davies: I do not think that the Government have been particularly clever in their handling of the Scottish parliamentary elections, which is why other parties did so well, to the Government's great surprise. I am not surprised that they got their tactics wrong for that one as well, as the hon. Gentleman suggests.

We have had this situation before, and it has done great damage to the country. The Conservative party has come up with a solid proposal. It is a well-thought-through, viable and sensible proposal that is very much in the national interest. The Labour party, not to be outdone, and out of sheer machismo or pique, has decided to destroy what the Conservative party put in place when we were in government, or to pretend or attempt to neglect, as we have seen this afternoon, the proposals that we are putting forward in opposition, in favour of their own.

There was a striking example of that over the past few months with the destruction of personal equity plans and tax-exempt special savings accounts, which were great successes. The Government could not bear the fact that those scheme were great successes and that people were saving more money.

Mr. Bob Blizzard (Waveney): Will the hon. Gentleman give way?

Mr. Davies: I shall give way to the hon. Gentleman in a moment. He must learn patience.

The Government could not bear the idea that these schemes were great successes and that household saving was increasing so well through PEPs and TESSAs. Against that background, they had to introduce their own scheme. The independent savings account is full of holes, full of shortcomings and badly thought through. Of course, it went quite wrong.

Mr. Deputy Speaker: Order. I am sure that the hon. Gentleman knows that he is straying way beyond the terms of the new clause. Perhaps he will return to the matter in hand.

Mr. Davies: Of course, Mr. Deputy Speaker, I will not say any more about PEPs and TESSAs versus ISAs. However, I think that the analogy is a fair one. We have a choice between a Conservative proposal and a Labour proposal. What is more, we have the Labour Government trying to pretend that the Conservative proposal does not exist. The Labour Government are running away from the opportunity to explain the merits of the two proposals and to defend their own. It appears that they are not capable of criticising our proposal.

Mr. Blizzard: The hon. Gentleman is trying to claim credit for a Conservative proposal. However, when I argued the point during Treasury questions, no Conservative Member rose to continue to press it. When I asked my hon. Friend the Minister for Energy and Industry during Trade and Industry questions to take up the point, again no Opposition Member intervened in support. During the meetings of the all-party group, of which I am the chairman, no Conservative Members have pressed the case. How can the hon. Gentleman square reality with what he is saying now?

Mr. Davies: If the hon. Gentleman is dissatisfied with an answer that he receives during parliamentary questions, he must take up the matter with the Ministers concerned. It is Labour Ministers who are in a position to give answers. The hon. Gentleman has scored something of an own goal or has aimed a shot at his own side.

The difference between the two approaches is quite significant. However, we both appear to have the same stated aims, just as with savings schemes, which I must not mention—but we both apparently want to increase savings. The Conservative scheme or schemes delivered that and Labour's did not. Indeed, the Labour scheme delivered a great reduction in savings. In this instance,

[Mr. Davies]

we again have the same aims. We both agree that it would be desirable to remove any tax obstacles to greater trading of North sea assets.

It is quite natural that at the beginning of the exploitation of a new field, such as the North sea, the risks are high. When licences are being bid for, those risks will be syndicated extensively so that there will be many participations. As fields become more mature, it is natural that there should be trading of those assets, shares and licences, and that there should be fewer holders. In many instances such restructuring can lead to economies of scale, which are extremely desirable.

Apparently we are all at one on the objective. That is certainly the Opposition's position. We believe that roll-over relief should be provided for North sea assets, as it is for many other business assets in this country. The question is how best to get there. We decided to get there in the most direct and straightforward fashion, and that was by saying, "We already have eight classes of business assets which qualify for roll-over relief, so we shall create a ninth." The eight classes have proved to be quite robust. There has been no difficulty at all in obtaining roll-over relief. There has been no ambiguity—and, to my knowledge, no court cases—about businesses in those eight established classes getting roll-over relief.

The sensible step would be to add a ninth class as we have done in new clause 19. What is wrong with that approach? The Financial Secretary did not attempt to argue that there was anything wrong with that approach, and I draw some comfort from her silence. That approach was evidently so unexceptionable that the hon. Lady, who is pretty combative in her way when she wants to be, gave up at the thought of trying to take exception to it. We can take comfort from the proposal that we conceived and tabled.

The hon. Lady's proposal, new clause 17, takes a different approach—a more complicated and less certain approach, which is much less sensible. It knocks out the provisions of the Taxation of Chargeable Gains Act 1992 that explicitly excluded North sea assets from benefiting from roll-over relief. The Government's new clause would restore the status quo ante—the status quo before 1992. The hon. Lady either has not done her homework, or she is being less than frank with the House by not mentioning that. She tried to skate over a material aspect of her new clause. The problem with re-establishing the status quo that existed before the 1992 Act is that that state of affairs was uncertain and unsatisfactory.

It was possible to argue then, and it had been argued before 1987, that North sea licences amounted to a claim on the continental shelf. The continental shelf is land—indeed, it was defined by the 1958 Geneva convention on the continental shelf, and confirmed by the 1982 law of the sea convention, as the extension of the land of a coastal state under the waves, so to speak.

The claim was made before 1987, not unreasonably but by no means with unambiguous certainty, that a licence was a claim on land, and that roll-over relief should therefore be provided, because land that was being exploited by the business that held the licence should qualify for roll-over relief under class 1, whereby land occupied for a commercial purpose benefits from roll-over relief.

The trouble was that that was not unambiguous. So uncertain was it that the Revenue challenged that interpretation, which gave rise to the famous case of RTZ *v.* Ellis in 1987, in which the Revenue argued that an area was not land and RTZ claimed that it was. As I recall, the matter was referred to the special commissioners, who decided in favour of RTZ. The Government of the day decided to legislate before the matter reached the High Court.

In other words, the jurisprudence was never established before the statute of 1987, which was replaced by the 1992 statute that the Government want to repeal. By definition, a return to the status quo ante would be a return to a state of ambiguity that was never resolved, and which was the basis for extremely expensive investigation and much doubt on the part of investors, businesses and all those involved in the oil industry.

7.45 pm

That would be a foolish way of trying to resolve the problem. I want to hear from the hon. Lady why she decided to resolve it in that way, and why, as she has taken up our initiative to grant roll-over relief to North sea assets, if it was for reasons other than machismo or pique on her part, she did not accept our way of doing that. The House deserves and will require such an explanation.

If the hon. Lady does not want to withdraw new clause 17 and accept new clause 19, which would be the best way of resolving the problem, I suggest that she makes a clear statement to the House now that the Government interpret the law prior to 1992 to mean that the continental shelf counts as land for the purposes of class 1 roll-over relief. If she says that, it may have some force in the courts if the matter is subsequently litigated.

However, I regard that as second best. It would be far better for the Government to accept our proposal and to go down that much surer and safer avenue. If the hon. Lady wants to carry the Opposition with her, she must go down one of those routes. So that the matter is absolutely plain, I repeat that she should accept new clause 19—in any event the House deserves an explanation of why she does not consider that a better route—or she should make sure that, if she goes back to the status quo before 1992 or the first legislation on the subject in 1987, the ambiguity that then prevailed is not restored. The only way in which she can do that is by making that declaration now from the Treasury Bench.

Mr. Frank Doran (Aberdeen, Central): I welcome the measure presented by the Government and the speed with which it has been introduced. Before I develop that point, I shall comment on the speech that we have just heard from the Opposition Front-Bench spokesman, the hon. Member for Grantham and Stamford (Mr. Davies).

It is always endearing to hear a Front-Bench spokesman for the Conservative party pretending that the Conservative party still matters. The gist of the speech of the hon. Gentleman seemed to be that the Government were ignoring the new clauses tabled by the official Opposition. If that contribution was an example of the Conservative Front-Bench team at its best, it is not difficult to see why the contribution was ignored.

The hon. Gentleman left one indelible impression on my mind—the idea of our three women Treasury Ministers strutting their machismo round the Chamber.

I hope that they will carry on strutting their machismo for the rest of our discussion of the Bill, because it is important that they hold the line.

The importance of the oil industry in the United Kingdom is often understated. Not only can we produce our own oil, but the industry still pays substantial sums to the Treasury—about £4 billion a year, down from the boom years when about £12 billion a year was paid in royalties and tax to the Treasury. It is a mature industry and is now in decline. We know that the decline will be long and slow. In my constituency in Aberdeen, we are still looking to at least another 20 or 30 years of the oil industry.

The fact that the industry is not in its prime must be taken into account, so I am pleased that the Government have introduced the measure. One of the biggest problems that the industry faces is the ownership structure. In the early years, many small and large companies bought shares in the various oilfields that were developed, some of them speculatively, and some of the shares have paid off handsomely.

However, rationalisation of investment is necessary to reduce costs in the North sea. We are still an expensive province, and we all compete for the same share of oil investment. It is a global industry and a global market. There is one pot of money in each company, and we compete with provinces around the world for that investment, for example, we compete with Kazakhstan, western Australia, Asia and the middle east.

Most of the middle eastern Governments are exploring the possibility of western investment coming in. All those countries can produce their oil and their gas much more cheaply than we can in the United Kingdom, so it is important that the Government take every opportunity to support the industry. The measure is a small but important one, particularly for the long-term future of the industry.

There are about 380,000 jobs in the oil industry throughout the UK. A recent survey by the Offshore Contractors Association, which is based in my constituency of Aberdeen, determined that 220 Members of the House had constituencies with more than 500 oil-related jobs. That is a significant figure. There is an impression that the industry operates only in Aberdeen, Lowestoft, Great Yarmouth, Teesside and Merseyside, but it penetrates virtually all the country. Even here in the south-east and central London, significant numbers of jobs in planning, computers and software are related to the oil industry.

Measures that help the industry and the jobs in my constituency help jobs throughout the country. They will also help to sustain the industry throughout the country for the next 20 or 30 years and I congratulate the Government on their introduction.

Sir Robert Smith (West Aberdeenshire and Kincardine): I follow the hon. Member for Aberdeen, Central (Mr. Doran) in emphasising the pervasiveness of the oil industry. It has not only a direct, obvious presence, but has tentacles—such as subcontracting and the supply industry, which depend on it—that reach throughout the United Kingdom economy. It is important not only to Members of Parliament who represent constituencies with a direct oil interest, but to every hon. Member that the oil industry thrives and prospers long into the future.

As the joint vice-chair of the all-party offshore oil and gas industry group, I recognise the industry's importance and welcome anything that will help it to grow and prosper. Although it is especially important to my constituency in the north-east of Scotland—it is obvious and on the doorstep—from time to time we lose sight of the extent to which it pervades our local economy and how dependent on it we have become. Therefore we do not always realise that we look to the future by supporting and developing it.

We must look to the future by making sure that the industry's morale survives this period of low oil prices and by recognising that the industry is a mature province. Although we still have infrastructure in the original main fields, new technologies can exploit far smaller reserves that were ignored first time round. Those technologies are viable and economic because they can bolt on to the original technology at the heart of the mother fields, but if they go out of production we will lose that essential infrastructure and not achieve further onward developments.

Such developments would be a great benefit because the technology being developed in the North sea is exportable. If we have a good home market and a good home base for the industry, we can build the export industry and confidence in it. This country missed opportunities because it did not develop the export potential of an industry on our own doorstep as much as we might have liked. However, many small innovative contractors have the confidence to export, but they need the security of the home market. That is why anything that the Government can do to avoid disrupting the market and to encourage it is to be welcomed.

When the Government were elected, they did not fully understand the sensitivity of the market and embarked on a clumsy review of oil taxation, which worried people and threatened investment. I hope that the measure is a sign that we can draw a line in the sand on that and that the Government are beginning to learn their lessons and work constructively with the industry. I have welcomed the establishment of the task force. I hope that the measure is a symptom of what can come out of its work—not only bringing the industry and various Departments together to understand how complex and interconnected the industry is, but bringing various sectors of the industry together so that they can co-operate. Taking a constructive approach to the industry will benefit the individual players within it.

We need to drive forward the industry's export potential. In particular, I welcome paragraph 10 of the Treasury briefing on new clause 17, which states:

> "The cost of this measure is therefore expected to be negligible. The loss of tax on gains on oil licence disposals under current legislation is expected to be offset by increases in tax yield resulting from the benefits of more rationalisation of UK oil licence holdings."

That underpins the whole argument that those of us who support a long-term viable future for the industry have been putting to the Government. We want them to say now that they want to make money from the long-term future of the industry and want it to survive. That would send an important signal to people in boardrooms around the country who are deciding where to invest. If the country bought into the idea of achieving long-term returns, the industry may benefit if it also invested to achieve long-term returns.

[Sir Robert Smith]

If we can send out such a signal and build on the optimism, the industry may emerge from the price shock of the past year with more potential than would have been the case if we had not been brought to our senses by it. In particular, it helped to bring the Government round from their initial approach of immediately taking more money out of the industry, which was an easy way for the Treasury to benefit. They are beginning to realise that the Treasury will benefit if the industry survives well into the future.

Every year oil companies hold briefings on the industry's future and every year the graphs look set to dip. Oil is a finite resource, but we have pushed the envelope of that graph well into the future and the industry is viable. People ask me, "What will we do in the north-east when the oil runs out?" We should make sure that we exploit what oil there is and maximise for our community the benefits of having a good industry on our doorstep.

The industry pervades our economy and we should maximise the benefits of that for the United Kingdom and maximise its great export potential. I urge the House to support the measure and send a signal of optimism to those who have to make the vital decision to invest for the long term in an industry that is so important to the United Kingdom economy.

Mr. Blizzard: I, too, support new clause 17 and wholeheartedly welcome the restoration of the capital gains tax roll-over relief for the oil and gas industry. I am the chairman of the all-party offshore oil and gas industry group and I represent a constituency that relies heavily on the industry, which is a major source of employment.

The industry has been operating for about 30 years and has achieved huge benefits for this country, such as the sheer scale of its input into our economy. Often, people think only of the 30,000 jobs offshore, but 10 times that number are spread around the country onshore through the 5,000 contractors whose work relates to the industry. Annual investment from the industry accounts for about 16 per cent. of total British industrial investment.

Hon. Members should consider for a moment the sums that I am talking about. Shell, which is based in my constituency, invests about £2.5 billion a year in the North sea operation. We should compare that with the capital investment that is made when a new Japanese electronics company sets up. We rightly get excited about investments of £200 million, £300 million or £400 million, but one oil company is investing annually eight times that sum in the North sea. That is substantial investment.

In my constituency, as in many others, the industry provides the employment that was lost from shipbuilding and fishing. The employment comes not only from large companies such as Shell and large fabricators such as Odebrecht, but from home-grown companies such as KYE and Boston Putford and scores more, some of which are little businesses with fewer than 10 employees. They all form part of the supply chain for the industry.

The industry has also provided a huge source of revenue to the public purse down the years—the debate concerns how that can continue—and relatively clean North sea gas, which has been of great benefit to the environment. When that fuel is used to generate electricity, it produces only half the CO_2 emissions of coal burn. This country is on course to meet the Kyoto targets because of the contribution made by North sea gas.

As other hon. Members have said, the industry has been going through a difficult time, and it is still doing so. The situation was critical when the international oil price fell to $10 a barrel. Although the price has recovered to about $16, the outlook is for a price somewhere between those figures rather than an increase to the bigger prices of the past. To understand what is going on in the North sea, we have to look beyond the oil price, because the industry is not the same as it was 30 or even 15 years ago. In fact, people then thought that the industry would not still be with us today. It is remarkable that it still is, even if field sizes are not the same as years ago.

8 pm

It would not be economic to exploit today's fields if the industry still operated as it did 20 years ago. The industry has undertaken dramatic cost reduction measures, efficiencies and the development of new technology in a hostile environment, all of which has made the North sea a world leader. It is good for our business that we can export technology and expertise around the world.

The industry has changed, and, in its maturity, it needs a new tax structure, different from those of the past. We want the industry to continue for another 30 years—we need the jobs. We want the exports to continue, and we want continued investment that must be won in a global economy in which oil companies can choose to come here or go elsewhere. We want continued tax revenue from a huge industry. As long as the infrastructure exists in the North sea, it makes environmental sense to extract as much oil and gas as possible rather than leaving it behind.

Capital gains tax roll-over relief will help. It is well targeted and effective, and it will enable assets to be consolidated or traded, ownership to be rationalised and partners to be aligned. It will therefore reduce costs. Various projects and deals that would not otherwise have gone ahead can go ahead because of the change. Existing infrastructure can be used to develop satellite fields, and the relief will encourage investment, extending the life of the industry. It is a win for both the industry and the Treasury. By extending the life of the industry, the Treasury will receive more revenue in the end.

The measure proves that we have a listening Government. The industry has put its case, and the Government have listened. The Government want to work with the industry, and their method of doing so provides a model for such working. The task force has been formed, and the Government have sat down to see what can be done. Rather than having a lot of empty bluster after everything has been sorted out, a task force—into which both the industry and the Government put much time and effort—has brought about results.

The Government have signalled their commitment to the oil and gas industry, and they understand that field size—and not just oil price—is important. The changes are welcome in my constituency and in the scores of others around the country that support the industry. One comes to the House to press many issues and ask many questions. It is good sometimes to see a case on which one has worked coming to fruition.

Mrs. Roche: This has been an interesting debate. I shall deal first with new clauses 15 and 16, which deal

with the definition of an asset. The definition—not new, but in existing legislation—is plant and machinery used in the field.

Mr. Quentin Davies: Does that include a floating production platform?

Mrs. Roche: Floating production platforms are unlikely to be affected by new clause 15.

Mr. Davies: That is a very vague response. In what circumstances would a floating production platform be affected, and in what circumstances would it not be affected? It is important to be precise.

Mrs. Roche: The hon. Gentleman will appreciate that one must be careful in the language that one uses when dealing with taxation. I have been as precise as I can under the circumstances. Assets affected would include terminals and pipelines. The position regarding floating production platforms would depend on whether they were considered to be a mobile asset, a dedicated mobile asset or a fixed asset. The hon. Gentleman was perfectly right to ask his question. I mean no disrespect to him when I say that it was one of the most coherent parts of his speech.

Mr. Peter Brooke (Cities of London and Westminster): The Financial Secretary has read the note handed along the Bench to her, and has indicated that the situation would depend on three different things. However, she did not say in what way it would depend on them.

Mrs. Roche: The right hon. Gentleman will realise that the situation will depend on individual circumstances. A definition of assets is included in the Oil Taxation Act 1983. There are also matters of interpretation, and, as a former Treasury Minister, the right hon. Gentleman will appreciate that the situation depends on circumstances. I have been as helpful to the House as I can. The position would also depend on what had been agreed at the time—the right hon. Gentleman knows how the Inland Revenue works, and what negotiations take place; he has a good memory, and all that will come flooding back to him.

The principal subject of our debate is capital gains tax roll-over relief. We heard an excellent speech from my hon. Friend the Member for Aberdeen, Central (Mr. Doran), who takes a close interest in the industry and who has great expertise. We heard a further excellent speech from my hon. Friend the Member for Waveney (Mr. Blizzard), who chairs the all-party offshore oil and gas industry group. We have had many interesting discussions on the subject, and I know of his great efforts in this regard. The hon. Member for West Aberdeenshire and Kincardine (Sir R. Smith) also holds a position in that group.

It is difficult to know how to characterise the speech made by the hon. Member for Grantham and Stamford (Mr. Davies), except to say that I heard every word, even though he delivered it without a foghorn. My hon. Friends and I were accused of machismo and of strutting our stuff, and we shall be pleased to carry on as we are. I should have taken the hon. Gentleman's bluster and protestations more seriously if the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale)—now off to be Parliamentary Private Secretary to the right hon. Member for Richmond, Yorks (Mr. Hague)—had not congratulated us during the Committee Stage. At no time in Committee did he raise CGT roll-over relief. Even in the all-party group, no Opposition Member has ever raised the matter.

New clause 19 is an Opposition U-turn, reversing the position that they took in 1987. The hon. Member for Grantham and Stamford can protest all he likes, but they had all their years in Government to put it right. I shall outline the differences between our new clauses and the Opposition's new clause.

The Opposition want to allow roll-over relief on oil licences, with effect from 6 April 1999. Our new clause extends roll-over relief to oil licences from 1 July 1999, the date on which we tabled the new clause. Our aim is to encourage future transfers of oil licence interests. Applying roll-over relief to transfers that have already taken place would not help to achieve that objective. I see no case for making the new clause retrospective, as the hon. Gentleman suggested.

There are some technical differences between our new clauses. The hon. Gentleman would wish his new clause to be right, but it contains some technical problems. The Opposition want to add a new class of assets for oil licences under section 155 of the Taxation of Chargeable Gains Act 1992. That is an unnecessary complication, and the precise effect of new clause 19 is not clear as it refers to legislation that has already been repealed. The relevant provisions of the Petroleum (Production) Act 1934 were superseded with effect from 15 February 1999 by the Petroleum Act 1998. So the new clause that the hon. Gentleman invites me to prefer to the Government's new clause is defective. It is not precisely clear how the commencement rule would apply, as there is no indication of which acquisitions are to be covered by the clause.

Mr. Davies: The hon. Lady makes footling points. It makes no difference to the substance whether the provisions come into effect from April or July, and she must know that. There is no reference in our new clause to the 1934 Act, and I do not know where she got that from. Will she address the main point that I raised? Her proposed new clause takes us back to the uncertainties of the pre-1987 regime, whereas our new clause creates an explicit new class of assets which will qualify for CGT roll-over relief. The essential difference between our new clauses is the unambiguity and greater certainty of the one, and the ambiguity and lesser certainty of the other. I hope that the hon. Lady will not run away from this important issue.

Mrs. Roche: I regret that the hon. Gentleman has taken the same approach as he has taken throughout the debate, in contrast with other hon. Members who have contributed to a positive discussion about the state of the industry. I do not regard technical deficiencies in a new clause as a footling matter. I shall deal with his points if he will allow me to proceed.

When drafting our new clause, we carefully considered whether we needed to introduce a new class of assets for United Kingdom oil licences into the list of classes of assets already eligible for roll-over relief. We concluded that a new class of assets was not necessary, and that the only change required to ensure that companies can claim roll-over relief on oil licences was to repeal section 193 of the Taxation of Chargeable Gains Act 1992.

[Mrs. Roche]

Since 1987, the Inland Revenue has accepted—the hon. Gentleman will know this if he has done his homework—that UK oil licences are an interest in land as defined in class 1A of section 155 of the 1992 Act. It has recently obtained advice from its solicitors confirming that. Its acceptance of that point is made clear in its published manual on the corporation tax rules that apply to North sea oil companies. As a result, when section 193 is repealed by new clause 17, the only barrier to oil companies claiming roll-over relief on UK oil licences will be removed. I assure the House that, as UK oil licences are interests in land, new clause 17 will allow companies to claim roll-over relief on the disposal of UK oil licences.

This has been a good debate. I should like to congratulate all hon. Members who took part. I also want to thank my hon. Friend the Minister for Energy and Industry, who chairs the task force on this issue, and the industry for all the constructive discussions we have had. I commend the Government's new clauses, and urge the House to reject the Opposition's new clause.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 16

PETROLEUM REVENUE TAX: INSTALMENTS

'.—(1) In paragraph 3 of Schedule 19 to the Finance Act 1982 (months in which instalments may be withheld)—

(a) in sub-paragraph (1), at the beginning there shall be inserted "Subject to sub-paragraph (1A) below," and after "month" there shall be inserted "(the relevant month)"; and

(b) after that sub-paragraph there shall be inserted the following sub-paragraph—

"(1A) Sub-paragraph (1) above does not apply if the relevant month is a month in which any consideration (whether in the nature of income or capital) is received or receivable by the participator in respect of any such matter as is mentioned in paragraph (a) or (b) of section 6(2) of the Oil Taxation Act 1983 (chargeable tariff receipts)."

(2) Subsection (1) above applies for the purpose of determining whether instalments are payable in respect of chargeable periods ending on or after 31st December 1999.'.—*[Mrs. Roche.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 17

BUSINESS ASSETS: ROLL-OVER RELIEF

'.—(1) Section 193 of the Taxation of Chargeable Gains Act 1992 (roll-over relief not available for gains on oil licences) shall cease to have effect.

(2) This section has effect in relation to—

(a) a disposal of a licence or an interest in a licence which occurs on or after 1st July 1999;

(b) an acquisition of a licence or an interest in a licence which occurs on or after 1st July 1999.'.—*[Mrs. Roche.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 8

LENDING BY REVENUE ACCOUNTS TO NATIONAL LOANS FUND

'.—(1) Where, at the close of business on any day, a sum stands to the credit of—

(a) the General Account of the Commissioners of Customs and Excise, or

(b) the General Account of the Commissioners of Inland Revenue,

that sum may be lent to the National Loans Fund on that day.

(2) Subsection (1) above does not apply to any sum to the extent that it is required to be paid, on the day in question, in accordance with section 10 of the Exchequer and Audit Departments Act 1866.

(3) A loan made by virtue of subsection (1) above shall be repaid before the close of business on the day after the loan is made or, where that day is not a business day, before the close of business on the next business day.

(4) Subject to subsection (3) above, a loan made by virtue of subsection (1) above shall be made in such circumstances, and on such terms and conditions, as the Treasury may from time to time direct.

(5) In this section "business day" means any day other than—

(a) a Saturday or Sunday;

(b) Good Friday or Christmas Day;

(c) a day which, in England and Wales, is a bank holiday under the Banking and Financial Dealings Act 1971;

(d) a day specified in an order under section 2(1) of that Act (days on which financial dealings are suspended) and declared by that order to be a non-business day for the purposes of this paragraph; or

(e) a day appointed by Royal proclamation as a public fast or thanksgiving day.'.—*[Ms Hewitt.]*

Brought up, and read the First time.

The Economic Secretary to the Treasury (Ms Patricia Hewitt): I beg to move, That the clause be read a Second time.

New clause 8 allows any cash balances held at the close of business in the bank accounts of the two Revenue departments at the Bank of England to be lent overnight to the National Loans Fund, which will repay what it borrows by close of business on the following business day. That will help the Debt Management Office to manage the Government's cash requirements efficiently when it takes on that role. The DMO will be able to rely on these Revenue department balances being available to help to balance the daily cash flows into and out of the National Loans Fund. That will decrease uncertainty for the DMO, and will, most importantly, prevent it from having to pay to raise cash in the market when there is already cash available within Government.

At the same time, the money will still be available during the business day to cover the possibility that tax repayments due exceed tax receipts on that day. The change will benefit Government, but will not have any effect on the Revenue departments' dealings with taxpayers. New clause 8 is a sensible piece of housekeeping by the Government, and I commend it to the House.

8.15 pm

Mr. Howard Flight (Arundel and South Downs): This certainly sounds like a sensible piece of corporate management: the corporate treasurer approach making the

National Loans Fund the cash flow management vehicle for Government. The rate of interest and terms will be decided as the Treasury sees fit. It would be interesting to know whether the Treasury will see fit to pay market rates or some other specific rate.

It would be valuable to know the balances that go through Customs and Excise during the year, whether its overall budgeting has hitherto taken account of interest earned and whether that level will change.

The new clause implies that the sums may be lent at the volition of the commissioners of Customs and Excise and the Inland Revenue. Surely the intention is that it will be at the direction of the Treasury, whether the commissioners want it to happen or not.

I ask myself why, at this stage of the Bill, the Government have suddenly had a conversion to corporate efficiency. Why was this measure not introduced long ago? It has been slipped in quietly at the end of the Bill. Surely this is what the Bank of England, as the Government's banker, has done, in that the different organs of Government have had positive and negative balances. The Government own the Bank of England, so why do they need to step back from the Bank and allow the National Loans Fund to manage cash flows? Does it, by any chance, have anything to do with European Union obligations, and the fact that the Government will not be able to borrow from the Bank of England? It would be undesirable for one Government account and the National Loans Fund to be overdrawn at the Bank of England as a result of a temporary cash flow problem. Perhaps the pooling of these cash flows into the National Loans Fund is designed to avoid that.

It is surprising that the Government have slipped this measure in at this stage of the Bill, unless there is some reason beyond virtuous corporate treasurer efficiency, which should not be necessary as the Government own the Bank of England. Perhaps there is some other reason that the Government are not disclosing.

Will the Economic Secretary deal with the specific organisational questions to which I referred earlier, and tell us the reason for using the National Loans Fund as the cash manager, rather than the Bank of England?

Mr. Michael Fabricant (Lichfield): Like my hon. Friend the Member for Arundel and South Downs (Mr. Flight), I also wonder why this new clause has been introduced on Report. The explanatory note produced by the Treasury says that this is merely a technical provision. Unlike my hon. Friend, who believes that it has been introduced by the treasurers for some Machiavellian reason, I suspect that it was tabled at this late stage of the Bill merely due to incompetence.

What will be the market test for this borrowing from one Government Department to another, or from one series of funds to another, rather than on the open market? The Minister said that it was obviously cheaper to borrow internally. I accept that, but will a nominal interest rate be set? If such a rate is set, who will charge it against whom? Will it be entirely within the Treasury, or will a particular Department benefit from the loan funds overnight?

When the moneys are chargeable, will we see a transfer of funds? And—this may interest the House more—how much does the Paymaster General think will be loaned overnight, as an aggregate sum, over a year? Are we talking about millions, or about billions?

Mr. Nick St. Aubyn (Guildford): I am listening carefully to my hon. Friend's speech, but, apart from the Minister's Parliamentary Private Secretary, no Government Back Bencher is present to listen to this important debate.

Mr. Fabricant: I find that extraordinary. We may be speaking about billions or, for all I know, trillions of pounds. The Paymaster General gave no indication of the amount that we are discussing. Let us not forget that this is not Government money; it is our money. It is their money—taxpayers' money. We need to know how the taxpayer will be affected. Will he or she benefit from the interest rates that are being set, or will he or she suffer a disadvantage because the money is not sought from outside sources?

It is not good enough to try to slip a measure through late in the evening when Labour Members—all 300-plus of them—are wining and dining in the fleshpots of London. We are talking about taxpayers, money. Thank God we have an Opposition who are at least opposing these proposals.

Ms Hewitt: I rather regret the fact that I do not have the chance to wine and dine, whether in the fleshpots or simply in the Members' canteen.

We engaged in a full and interesting debate on this subject in Committee. Clause 125 completes the separation between monetary policy and cash management—debt management operations—that we undertook when we gave the Bank of England operational independence in regard to monetary policy. The new clause is simply and genuinely a technical consequence of the main provision that we introduced in the Bill. It follows from the assumption of cash management by the Debt Management Office, a Treasury agency that already handles debt management.

As the hon. Member for Arundel and South Downs (Mr. Flight) said, at present the Government's daily need for cash to balance the books is met through the Bank of England, and through the ways and means overdraft facility with the Bank's issue department. However, once we start managing the cash separately and allowing the Debt Management Office to manage it on behalf of the Government, it would be inefficient to allow money to sit in separate accounts—those belonging to the Revenue departments—if it could be made available to meet a deficit on the National Loans Fund, when the alternative to using that spare cash would be borrowing by the DMO from the markets.

Let me reassure the hon. Gentleman and his colleagues that this has nothing whatever to do with our possible entry into the single currency in years to come. We have simply completed the separation of monetary policy and debt management operations, in order to avoid any conflict of interests—or perceived conflict of interests—between the two. In particular, as I explained in

[Ms Hewitt]

Committee, the separation will assure the markets that debt management decisions are not influenced by inside information on interest rate decisions.

Mr. Fabricant: Will the Minister answer the specific questions that I asked her? I see that her official has passed her a note, so perhaps she will be able to do so. First, what amounts are we talking about on aggregate—millions, billions, trillions or what? Secondly, if she is in effect market-testing between internal transfers within the Treasury and borrowing on the open market, what interest rates will be set and what criteria will she use to set them?

Ms Hewitt: I was just coming to that. All in good time.

There will be no interest rate charges, because money is simply being lent from one Government account to another. It would be no more appropriate to charge interest on the loans than it would be if I were transferring money from one account to another in my own name. As for the amounts that might be lent, we estimate that the maximum that Customs and Excise might lend would typically be about £700 million. We do not expect to be able to meet the loans from the Inland Revenue to the National Loans Fund, although the new clause gives the power for that to be done.

As I say, this is simply a technical provision that will further improve the Government's housekeeping arrangements and, by reducing any possible need for the DMO to raise money on the open market, will save the taxpayer modest amounts of interest that would otherwise have been paid.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 4

ALLOWABLE LOSSES WHERE BENEFICIARY ABSOLUTELY ENTITLED

'.—(1) For subsection (2) of section 71 of the Taxation of Chargeable Gains Act 1992 (allowable losses of trustees treated as transferred to a person becoming absolutely entitled to settled property) there shall be substituted the following subsections—

"(2) Where, in any case in which a person ('the beneficiary') becomes absolutely entitled to any settled property as against the trustee, an allowable loss would (apart from this subsection) have accrued to the trustee on the deemed disposal under subsection (1) above of an asset comprised in that property—

(a) that loss shall be treated, to the extent only that it cannot be deducted from pre-entitlement gains of the trustee, as an allowable loss accruing to the beneficiary (instead of to the trustee); but

(b) any allowable loss treated as accruing to the beneficiary under this subsection shall be deductible under this Act from chargeable gains accruing to the beneficiary to the extent only that it can be deducted from gains accruing to the beneficiary on the disposal by him of—

(i) the asset on the deemed disposal of which the loss accrued; or

(ii) where that asset is an estate, interest or right in or over land, that asset or any asset deriving from that asset.

(2A) In subsection (2) above 'pre-entitlement gain', in relation to an allowable loss accruing to a trustee on the deemed disposal of any asset comprised in any settled property, means [illegible] to that trustee on—

(a) a disposal which, on the occasion on which the beneficiary becomes absolutely entitled as against the trustee to that property, is deemed under subsection (1) above to have taken place; or

(b) any other disposal taking place before that occasion but in the same year of assessment.

(2B) For the purposes of subsection (2)(b)(ii) above an asset ('the relevant asset') derives from another if, in a case where—

(a) assets have merged,

(b) an asset has divided or otherwise changed its nature, or

(c) different rights or interests in or over any asset have been created or extinguished at different times,

the value of the relevant asset is wholly or partly derived (through one or more successive events falling within paragraphs (a) to (c) above but not otherwise) from the other asset.

(2C) The rules set out in subsection (2D) below shall apply (notwithstanding any other rules contained in this Act or in section 113(2) of the Finance Act 1995 (order of deduction))—

(a) for determining for the purposes of this section whether an allowable loss accruing to the trustee, or treated as accruing to the beneficiary, can be deducted from particular chargeable gains for any year of assessment; and

(b) for the making of deductions of allowable losses from chargeable gains in cases where it has been determined that such an allowable loss can be deducted from particular chargeable gains.

(2D) Those rules are as follows—

(a) allowable losses accruing to the trustee on a deemed disposal under subsection (1) above shall be deducted before any deduction is made in respect of any other allowable losses accruing to the trustee in that year;

(b) allowable losses treated as accruing to the beneficiary under this section, so far as they cannot be deducted in a year of assessment as mentioned in subsection (2)(b) above, may be carried forward from year to year until they can be so deducted; and

(c) allowable losses treated as accruing to the beneficiary for any year of assessment under this section, and allowable losses carried forward to any year of assessment under paragraph (b) above—

(i) shall be deducted before any deduction is made in respect of any allowable losses accruing to the beneficiary in that year otherwise than by virtue of this section; and

(ii) in the case of losses carried forward to any year, shall be deductible as if they were losses actually accruing in that year."

(2) This section applies in relation to any occasion on or after 16th June 1999 on which a person becomes absolutely entitled to settled property as against the trustee.'.—*[Dawn Primarolo.]*

Brought up, and read the First time.

The Paymaster General (Dawn Primarolo): I beg to move, That the clause be read a Second time.

The new clause is intended to prevent avoidance of capital gains tax through the purchase of losses realised in trusts. We are introducing it now because it is only in the past six weeks or so that the Inland Revenue has gathered evidence of significant exploitation. When we announced the measure on 16 June, our assessment of the potential loss of revenue, if the schemes of which we had evidence were to succeed, was about £500 million. Since then, further schemes have come to light, and the estimate has now risen to £750 million. That is exploitation on a grand scale, and it is entirely unacceptable. We have made it clear that we shall take prompt action to stamp out

avoidance of this kind. That is why we are taking action now, and why we shall continue to take such action whenever the need arises.

Capital losses realised by trustees on assets in a trust can normally only be set against capital gains of the trust. The losses cannot be transferred to beneficiaries of the trust, except in one situation: when a beneficiary becomes absolutely entitled to settled property under the terms of the trust—in other words, when the property of the trust becomes the property of the beneficiary. Any capital loss arising on that occasion that cannot be used by the trustees is transferred to the beneficiary.

Those rules, which have applied since 1965, are being exploited in the following way. Trustees of trusts with large losses that cannot be used to offset gains within the trust create an interest in the trust property in favour of a beneficiary. That interest is contingent on a certain event occurring—an event that is almost bound to occur—after a short period.

Steps are then taken for appropriate portions of the interest to be sold to individuals and companies that have gains to shelter. Those individuals and companies become new beneficiaries of the trust. When the appointed day arrives—usually after a very short time—the appropriate amounts of losses pass to them. In such cases, huge losses are available. The Revenue is aware of one scheme where a manufactured loss of £1 billion is involved. The effect is that people with gains can use losses that they have not incurred to eliminate their tax liability. That is wholly contrary to the purpose of the legislation.

8.30 pm

The mischief is not confined to cases where new beneficiaries purchase an interest in the trust. The beneficiaries could be appointed by the trustees, or the interest could be transferred to the ultimate beneficiary via an intermediary. It is because of those difficulties that confining action to the purchase of interests in trusts would not solve the problem.

The Revenue has been aware of the possibility of loss buying in those circumstances for some time, but there has been no evidence of a widespread problem until very recently. However, as I have said, in the past few weeks, evidence has emerged of very large losses being manufactured in trusts purely to take advantage of those rules by profiting from their sale. The scheme takes a number of forms, but all involve the creation of losses within UK trusts, or the use of UK trusts with existing losses, so that the trust loss can be sold to prospective purchasers.

Although the Revenue will challenge the validity of those schemes under existing law, the scale of the problem is so large that we are not prepared to stake the potential loss of so much tax on the possibility of a favourable outcome in the courts. The only sure way to stop the sale of all future trust losses is to attack the source of the problem; I am sure that hon. Members agree.

The new clause provides for losses on trust assets sold by the trustees to be allowed within the trust under the normal rules when a beneficiary becomes absolutely entitled to an asset in the trust and a loss is deemed to accrue on that occasion, and if the trustees cannot offset that loss against gains arising at that time, or earlier in the year, the loss will be transferred to the beneficiary, but the beneficiary can then use that loss only against subsequent gains arising on that asset.

That is how the legislation should work and that is how it will work from now on. The new clause not only stops a serious potential loss of tax, but puts right an anomaly in current legislation, which should have been corrected a long time ago. I commend the new clause.

Mr. Quentin Davies: I have some sympathy for the Paymaster General's approach to the problem. She has set out her thinking clearly, for which we are grateful. However, several points concern me. I shall ask her some questions. I hope that I receive clear and sensible answers, so that we can have a serious dialogue across the Dispatch Box. I hope that she does not follow the example of the Financial Secretary to the Treasury, who tried to avoid all my questions although, finally, she made the declaration that I wanted all along, so I suppose that we must be grateful to her for that.

Two things concern me most about the new clause. It seems to run counter to, and potentially to damage, two principles that should characterise our tax law, or any rational and fair tax law. I fear that the new clause moves our law on capital gains tax away from those two principles .

The first, which is terribly important, is even-handedness between losses and gains. If trustees can distribute gains and if those gains are subject to tax in the hands of the recipient and beneficiary, it should be axiomatic that trustees can distribute losses and that those losses can be used freely by the beneficiary, to be set against gains for which he or she might otherwise be liable elsewhere on his or her portfolio of investments. We seem to be moving away from that principle of equivalence of treatment between gains and losses.

Secondly, the new clause poses the danger of moving us away from the principle that an individual should be taxed on the basis of his or her income or capital gains to the greatest extent possible, irrespective of whether those assets are held, those incomes or gains derive from a beneficial interest in a trust, or whether they are held directly.

We know very well that, for many years—although it is not always the case—trusts were established deliberately to avoid tax legally. However, the previous Government's reforms, which have been implemented in the past few years, to modernise our tax system have all attempted to remove that anomaly in tax law, and to ensure that people are taxed on their real financial position—on losses or gains for capital gains tax; on income for income tax—regardless of whether income was channelled through, or assets held, in a trust. Now, we are moving away from trying to make such a reform.

There may be very good reasons for establishing a trust, and I do not want anyone to get the impression that Conservative Members are against establishing one. There are extremely respectable—indeed, valuable—reasons for establishing a trust, such as to promote a particular cause or objective, to protect the interests of minors, or to protect family property down the generations by preventing one generation from squandering it all. Those are all sensible and responsible uses of a trust. However, so far as possible—this was the thrust of the previous Conservative Government's reform of trust taxation—trusts should not be established simply to shelter a given income flow or potential capital gains from tax to which

[Mr. Quentin Davies]

New clause 4 moves against the previous Government's reforms, and in the direction of creating a situation in which it is less advantageous to have losses credited to one in a trust, as it would not be possible to offset those losses against gains that might arise elsewhere in one's portfolio. Such an offset should be allowed if gains distributed to the beneficiary are similarly taxable.

Those are my general concerns, and those principles certainly inform the Opposition's thinking and the way in which we consider tax. I should like the hon. Lady to tell us, very frankly and seriously, whether she generally shares our principles in the matter; and, if she does, how she justifies moving the proposals in new clause 4 and, regrettably, taking the Taxation of Chargeable Gains Act 1992 away from those principles. If she does not share our principles, perhaps she will tell us why she does not.

The hon. Lady justified the Government's proposals entirely on the ground that they would deal with potential tax avoidance, and she gave some alarming figures on that. I am, again, grateful to her for her extremely intelligent and sensible exposition of the Government's thinking on the matter. She explained why the Government feel that there would not be sufficient protection if we legislated that gains could be enjoyed for purposes of setting against losses only when the beneficiary to which the gains were distributed had not purchased his or her interest in the trust—as other mechanisms would be available that could lead to the same abuse that she described. An existing beneficiary could, for example, nominate another beneficiary, or the trustees could nominate another beneficiary.

My initial reaction to those examples is that, presumably, without some financial consideration, no one would nominate someone else to benefit from gains or useful losses that were attributable to him or her. I should think, therefore, that the approach that the hon. Lady rejected might be more promising than, at first sight, she believed they were. I am quite certain that, in practice, any trustee or beneficiary who is giving away his or her rights is receiving some form of compensation. Therefore, if we legislated to ensure that such ultimate beneficiaries could not enjoy the benefits of losses they had thus acquired, we might solve the problem. I hope that she thinks a little further about whether there might be some other way to approach the issue which would not do violence to the key principles that I have just enunciated.

Another approach that is worth exploring and on which I should like a response from the Paymaster General would be to protect those who are beneficiaries by virtue of the original trust deed. They might not be named in the trust deed because they might be a subsequent generation, but they would be of a category provided for in the original trust deed rather than secondary or tertiary beneficiaries who had been nominated or who had purchased their interest in the trust through the avenues that the hon. Lady set out. I make my suggestions in a constructive spirit, because I share the Minister's concern about the potential loss of tax revenue and I am grateful to her for the extent to which she has taken us into her thinking.

I do not doubt the hon. Lady's personal sincerity, but the new clause aroused my suspicions. Eliminating the risk of tax avoidance is not a full and credible explanation of the motives behind the Government's proposals. Only a small part of the new clause—subsection (2)—addresses potential avoidance. Subsection (2D) sets out the rules for the order in which losses can be set against gains for the purposes of determining capital gains tax liability. Subsection (2D)(a) says:

"allowable losses accruing to the trustee on a deemed disposal under subsection (1) above"—

deemed disposal is when an asset is transferred from a trust to the direct ownership of the beneficiary—

"shall be deducted before any deduction is made in respect of any other allowable losses accruing to the trustee in that year".

What the devil does the order in which losses are set off against gains have to do with tax avoidance? If someone set up an artificial scheme to generate losses in a trust to be set against gains from elsewhere to reduce CGT liability, they would not need to be told by legislation that the losses had to be used in that way because they would have gone to the trouble of creating those losses for the purpose of reducing CGT liabilities. That arouses great suspicions, which I hope that the hon. Lady will be able to allay. If she does, we shall support a well considered attempt to attack a genuine source of potential tax avoidance.

Subsection (2A) refers to

"a disposal"—

by the trustees—

"which, on the occasion on which the beneficiary becomes absolutely entitled as against the trustee to that property, is deemed under subsection (1) above to have taken place; or

(b) any other disposal taking place before that occasion but in the same year of assessment".

Taken together with subsection (2D), which I quoted earlier, the effect will be that trustees who cannot make use of all their losses will not be able to distribute those other than the deemed losses that may have been incurred to the beneficiary, because they will have had to set off against any gains the deemed losses in the first instance. Once those are exhausted, they may find themselves with other additional losses that cannot be transferred to the beneficiary. Trusts will lose the ability to use certain losses.

Is the new clause an attempt to prevent a new source of tax avoidance or is it an attempt to change the existing regime applying to trusts to make it less favourable to honest trusts, which will no longer be able to use the totality of losses that is currently available to be set off against CGT-liable gains? That is what I want to know.

8.45 pm

Why are we going in for this complication? Why do we have these rules on the order in which the losses must be applied? Is not it incredible—or non-credible—to suppose that if artificial losses are created, they will not be used immediately to offset gains? Why would people otherwise take the trouble and expense to set up these artificial schemes?

We want to know whether these matters have been thought through. Does this proposal really represent the bare minimum required to address the notional or potential loss? Will the position of entirely innocent trusts—which continue to administer themselves on the same basis and are not the source of any artificial schemes—be made considerably less favourable by what I believe to be a far too bluntly drafted clause?

Dawn Primarolo: As this is the first time that I have addressed the hon. Member for Grantham and Stamford (Mr. Davies) from the Dispatch Box since his promotion, may I belatedly congratulate him and welcome him to the Opposition Front Bench?

I will try to deal with the points raised by the hon. Gentleman, which are very important. The Government were faced with a serious situation. The current tax rules in this area are anomalous. Trustees of trusts are taxed as a separate person from the beneficiaries for capital gains purposes, and are chargeable on all gains made on trust property at the special rate.

It is more than a little odd that, in those circumstances, the rules should allow losses on trust property to be passed to beneficiaries to set against gains on property which have not emerged from the trust. Losses realised by the trustees ought to be allowed only against property which is in the trust or which has come out of the trust. That is what the new clause is trying to deal with.

The hon. Member for Grantham and Stamford asked about the purchased interests, and why we have not attacked them. There would be a real difficulty in establishing whether a trust interest had been purchased. Under some arrangements, the trustees and the beneficiaries may be bypassed altogether, with the money—because there is a payment—going directly from the purchaser to the scheme organiser or the loss creator.

It would have been futile to introduce legislation which missed the mark and allowed some schemes to escape and provide opportunities for other schemes to be reworked to get around the rules. The hon. Member for Grantham and Stamford asked whether that may still be the case. We have tried to write the rules in the new clause in such a way as to prevent that from happening in what is a complex area.

We have tried to avoid immensely complex legislation, which could deny the transfer of loss to beneficiaries who might be genuinely added at the discretion of the trustees. That would be wrong in principle. The only situation where we consider it justified for losses to continue to be transferred from a trustee to a beneficiary is where the asset on which the loss arises is transferred to the beneficiary.

Mr. Quentin Davies: I am well aware of what the proposals are. I am asking the Paymaster General to think a bit further about a limitation that would exclude beneficiaries who have purchased their interest in the trust. Her original response was that such beneficiaries would not necessarily have had to purchase their interest because they could have been nominated by the trustees or a beneficiary, but it is fundamentally implausible that the trustees or a beneficiary would give away their interest—which must, by definition, have a value if it serves a purpose in a tax avoidance scheme—for no consideration.

Now, the Paymaster General says that the sums concerned might have been transferred from the ultimate beneficiary—the beneficiary of the artificial scheme—to the organisers of the scheme, with the trustees and the beneficiary having no benefit, but it would be a breach of trust law for a trustee simply to give away such an interest. A provision based on someone having directly or indirectly purchased an interest in a trust is a great deal more robust than she originally thought.

Dawn Primarolo: I do not agree. After careful consideration we came to the conclusion that such a provision would be difficult and complex and would not deal with the abuse that is clearly taking place. The Government wanted to get to the root of the abuse without introducing too much complexity in the legislation. The capital gains tax system taxes the gains of trusts separately from those of individuals. The trustees are treated as different persons from the beneficiaries for CGT purposes. The new clause is an anti-avoidance measure. It does not alter the fundamental basis for taxing trusts.

Mr. St. Aubyn: Why, in closing the loophole, are the Government shifting the principle of tax neutrality from the beneficiary to the trust, introducing a much tighter definition that is very unfair to those who were given much fairer treatment under the previous Government's reforms over 18 years?

Dawn Primarolo: To ensure that the abuse is stopped. The potential loss of tax is so great that we had to act. If tax planners introduce such complicated and ingenious ways of getting round the intent of legislation, they must expect the Government to respond.

Mr. Davies *rose—*

Dawn Primarolo: The complaint of the hon. Member for Grantham and Stamford seems to be that the Government have gone too far and that there were other ways of dealing with the matter. I have explained that, despite the fact that we considered some of his suggestions carefully, the only way of guaranteeing that we deal with the root problem is embodied in the new clause, which I commend to the House.

Mr. Davies *rose—*

Mr. Deputy Speaker: Order. The Minister has finished her contribution. She is not giving way.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 9

EU TRAVEL EXPENSES

'.—(1) In section 200 of the Taxes Act 1988 (expenses of Members of Parliament), in subsection (2), for the words from "the cost of" to "Strasbourg" substitute "EU travel expenses" and after that subsection insert—

"(3) For the purposes of subsection (2) above 'EU travel expenses' are the cost of, and any additional expenses incurred in, travelling between the United Kingdom and—

(a) any European Union institution in Brussels, Luxembourg or Strasbourg, or

(b) the national parliament of another member State.".

(2) This section has effect in relation to sums paid on or after 1st April 1999.'.—*[Dawn Primarolo.]*

Brought up, and read the First time.

Dawn Primarolo: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this, it will be convenient to discuss Government amendment No. 25.

Dawn Primarolo: This clause makes a small but necessary change to the tax rules dealing with the

[Dawn Primarolo]

payments that Members of Parliament receive to cover the costs of visiting European Union institutions. In 1991, the House set up a scheme to meet the costs of one visit a year to EU institutions in Brussels, Strasbourg and Luxembourg. To avoid any uncertainty about the tax treatment of payments made under the scheme, the Conservative Government introduced what is now section 200(2) of the Income and Corporation Taxes Act 1988 to take them outside the scope of any tax charge.

On 26 May this year, the House passed a resolution extending the range of destinations covered by that scheme. Members can now also get the costs of one visit a year to the national Parliament of another EU member state. We need to carry that through to the tax rules; otherwise, we shall have a tax exemption for some payments authorised by Parliament for hon. Members' EU travel, but not others. The new clause extends section 200(2) to take in the additional destinations now included in the House scheme.

We also need to make a consequential amendment to schedule 5 of the Bill to ensure that the same rules apply to any corresponding payments made to Members of the Scottish Parliament and of the devolved Assemblies, in line with the resolution of the House.

Mr. Oliver Letwin (West Dorset): I do not want to tarry long on the new clause, because there are juicier morsels to come. However, I should like to ask the Paymaster General two or three questions.

We recognise that, in principle, the measure flows from a resolution of the House, to which the Minister referred. During the debate on that resolution, my right hon. Friend the Member for Haltemprice and Howden (Mr. Davis), who occupies a special position in the House, mentioned that:

"There has been a decline in the reputation of this institution in the past few years"

and went on to say:

"It is vital to the authority of this institution that we maintain the public perception of the integrity of Members of Parliament."—[*Official Report*, 26 May 1998; Vol. 332, c. 416.]

Doubtless, the Paymaster General recalls my right hon. Friend's remarks. In the light of those remarks the House made an amendment—originally tabled by my right hon. Friend, I believe—to the resolution that required Members who took up the option of a trip to Paris, Rome and so on to state in advance the purpose of their visit. That gives rise to my precise questions.

If a visit is for a specific business reason, why would it be taxable? Why is it not analogous to a business visit engaged in by any private sector employee who has correctly stated that the purpose of his visit is a business purpose, which counts as a business expense and is not taxable?

As the Paymaster General reminded the House, under clause 48 of the Bill, Members of the Scottish Parliament and Members of the Welsh Assembly have to be treated in the same way as Members of this Parliament; therefore, they will be subject to the same tax treatment if new clause 9 and amendment No. 25 are accepted. In the light of my previous question, it is material to ask whether that would apply even if the Scottish Parliament and the Welsh Assembly had not passed resolutions with an amendment analogous to that which my right hon. Friend tabled in this House. In other words, might not Members of the Scottish Parliament and Members of the Welsh Assembly be exempted from tax simply by virtue of the analogy with membership of this House, even if they do not have to make the declaration on which procedures in this House will now be founded?

If that is the case, is it not an example of the very problem to which devolution generally gives rise? We seek to give the Welsh Assembly and the Scottish Parliament certain freedoms of manoeuvre and we forsake the ability to vet whether, in fact, those freedoms of manoeuvre are being used in a way that is responsible from the point of view of taxpayers. Things will have come amiss if it turns out that Members of the Scottish Parliament can do what Members of this House would have been able to do if my right hon. Friend's amendment had not been passed—get both free trip and tax exemption without having to state in advance why they are going on the trip and prove that it is a business affair. If I am mistaken in my assumption, I should be grateful for clarification from the Paymaster General.

9 pm

Mr. Peter Luff (Mid-Worcestershire): I shall not detain the House for long. The new clause leaves rather a nasty taste in the mouth when one considers all the other new clauses that we are debating this evening which are designed to increase the tax take, and often to take more tax from very vulnerable members of our society. Here we have a group of Members of Parliament, who could hardly be described as vulnerable, seeking to obtain new tax advantages for themselves at the taxpayers' expense.

There is a strong sentiment in many parts of the House that the original resolution was a mistake, and that tax advantages should have been retained entirely to European institutions. That pass has been sold and the privilege has now been extended to other, national Parliaments. I am sceptical about whether people will find sufficient reason to justify the additional trips to national Parliaments. There would be a rough justice in maintaining the present tax concessions rather than handing money back to MPs for these freebies.

I note that the resolution to which the new clause refers enables MPs to be paid twice the corresponding civil service class A standard subsistence rate. The perk seems to be very generous as it is, and it would be perfectly reasonable to tax this extension of it. I do not accept the logic of the Paymaster General's opening remarks.

Mr. Fabricant: The Paymaster General opened the debate by saying that this is a small but necessary amendment, but I am not sure that it is necessary. At the moment, the provisions apply to Brussels, Luxembourg and Strasbourg, and only £44,500 out of a total budget of £250,000 has been spent, so clearly there is not much of a demand for the provision.

I said earlier that I wondered where all the Labour Members were. I notice that there are now two Labour Back Benchers present. I suggested that while we were debating the taxpayers' money, most of them were in the fleshpots of London. What bothers me is that after the new clause has been passed, they will be visiting the fleshpots of Berlin or the beaches just east of Athens, which will now fall under the aegis of the measure.

As my hon. Friend the Member for Mid-Worcestershire (Mr. Luff) said, the economy is contracting and the weakest in society are suffering. It is typical of this Government that the pigs are being lead to the trough at such a time.

Mr. Andrew Love (Edmonton): Does the hon. Gentleman accept that when the original motion came before the House and was fully discussed, only two or three members of the Opposition opposed it in the debate and, more importantly, voted against it when we went into the Lobbies?

Mr. Fabricant: The point is how many Labour Members voted against that motion. Two wrongs do not make a right. If only £44,500 out of a budget of £250,000 has been used, the provision is under-utilised. I put it to the House that these trips are yet more jollies, which seem to have been promoted since the Government came to power.

Mr. St. Aubyn: Will the Paymaster General tell us how much of the budget will be spent under the new provision? What will she do if too many of her colleagues demonstrate a propensity to indulge in this new form of subsidised travel so that the fund is exhausted before the end of the year?

Dawn Primarolo: Opposition Members need to keep this measure in proportion. As my hon. Friend the Member for Edmonton (Mr. Love) said, when the original motion was discussed the official Opposition did not oppose it. The normal procedure is to make such trips tax-exempt.

The hon. Member for West Dorset (Mr. Letwin), who spoke from the Front Bench, asked why we need a specific tax exemption at all. Several provisions in the Income and Corporation Taxes Act 1988 deal specifically with Members of Parliament; they reflect the nature of Members' duties. In most cases, deductions for any payment to meet the cost of Members' visits to European countries would be available under the ordinary schedule E rules, but it would sometimes be difficult to determine whether a visit would meet the qualifying conditions. Section 202 of the ICTA avoids that uncertainty by taking payments to Members of Parliament who have been authorised under the terms of the House scheme out of the scope of any tax charge.

As hon. Gentlemen will know, Members of Parliament will have to apply in advance and give the reasons for and purpose of their visit, and whom they will be meeting, before the travel is agreed by the House. The Fees Office will require information on the visit's purpose, location, duration and the persons or organisations to be met to be sure that the visit is within the resolution of the House.

Mr. Fabricant: I take the hon. Lady's point that Members will have to give an official reason, but what is to stop someone visiting an institution for three days and then spending a further week on the trip at their own expense having had the travel paid for them by the House of Commons—or should I say the taxpayer?

Dawn Primarolo: The rules of the House are laid down and Members are required to comply with them. As the hon. Gentleman well knows—I do not know whether he is advocating an avoidance scheme—that is the correct way in which to behave. I am sure that he behaves in that way. To infer that any other Member would not comply with those requirements is ungenerous of him, to put it mildly.

The hon. Member for West Dorset asked whether legislation was needed to extend the Westminster tax scheme to the devolved Assemblies; the answer is yes. Without the amendment, the Westminster tax rules would not automatically apply to the devolved Assemblies, as should happen.

Mr. Letwin: The question I asked was whether if, for example, the Scottish Parliament did not agree an amendment or pass a resolution that would require Members of that Parliament to make the same declaration in advance, would they nevertheless be tax exempt?

Dawn Primarolo: My understanding is that the rules of the House on the terms under which Members of Parliament can travel, as provided under the resolution of the House, are clear, and that those rules extend, therefore, to Members of the Welsh Assembly and the Scottish Parliament.

The hon. Member for Mid-Worcestershire (Mr. Luff) felt that the proposal was yet another perk for Members of Parliament. As I said at the beginning of my remarks, it is important to keep this matter in perspective. In most circumstances, Members are treated for tax in the same way as employees generally. We are dealing with specific provisions to deal with one or two minor areas where the position of Members of Parliament does not fit easily into the general tax framework.

No more money is being made available. The budget of £250,000 for Members' visits to European institutions remains unchanged. The amendments simply bring the resolution of the House into the tax legislation—as was the practice of the previous Government. It is an entirely reasonable thing to do. I commend the new clause to the House.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 6

GOODS FOR SALE ON BOARD SHIPS OR AIRCRAFT

'.—(1) For subsection (4) of section 1 of the Customs and Excise Management Act 1979 (goods for sale on board ships or aircraft to be treated as stores) there shall be substituted the following subsections—

"(4) Goods for use in a ship or aircraft as merchandise for sale to persons carried in the ship or aircraft shall be treated for the purposes of the customs and excise Acts as stores if, and only if—

(a) the goods are to be sold by retail either—

(i) in the course of a relevant journey, or

(ii) for consumption on board;

and

(b) the goods are not treated as exported by virtue of regulations under section 12 of the Customs and Excise Duties (General Reliefs) Act 1979 (goods for use in naval ships or establishments).

(4A) For the purposes of subsection (4) above a relevant journey is any journey beginning in the United Kingdom and having an immediate destination outside the member States.

(4B) In relation to goods treated as stores by virtue of subsection (4) above, any reference in the customs and excise Acts to the consumption of stores shall be construed as referring to the sale of the goods as mentioned in paragraph (a) of that subsection."

(2) This section shall be deemed to have come into force on 1st July 1999 but shall not have effect in relation to any shipment of goods before that date.'.—*[Dawn Primarolo.]*

Brought up, and read the First time.

Dawn Primarolo: I beg to move, That the clause be read a Second time.

As hon. Members will know, until last week, passengers on ferries, hovercraft and aircraft travelling within the European Union were able to buy duty-free goods, either on board or at duty-free shops at ports and airports. Within the EU, duty free came to an end on 30 June. All merchandise sold for take away must now be sold duty and tax paid. The new clause makes the necessary changes to the Customs and Excise Management Act 1979, bringing the Act's provisions into line with a decision taken unanimously, in 1991, by the previous Government and all other member states.

Several statutory instruments preceded the new clause to give effect in UK legislation to the abolition of duty free. From 1 July, goods sold to the travelling public for them to take away at the end of journeys within the EU are subject to VAT at the rate applicable in the member state of departure. Excise goods, such as tobacco and alcohol products, are chargeable with duty at the rate of the member state of departure or of the country of destination—depending on where they are sold.

The vast majority of journeys within the EU can benefit from the simplified procedures introduced by the Government, and from the concessions that we managed to extract from the Commission. In the few areas where the simplified arrangements cannot operate, discussions have been held with service providers to ensure the smooth introduction of the successor regime.

The new regime is working smoothly, but the Government will keep the implementation of the scheme under review to ensure that—should further amendment be required—we can assist the trade and the travelling public. That includes the possibility of returning to the Commission to press for any changes that may become necessary.

I commend the new clause to the House.

Mr. Letwin: I have already declared one potential interest in that a pet-food shop might be a client of my bank; I now declare another in case some airline or shipping company is also a client.

We accept that the measure is a corollary of the removal of duty free. In the Standing Committee to which the Paymaster General has already referred, we fully exposed the fact that both the previous Government and the then Opposition were partners in crime in bringing about that sorry state of affairs. Moreover, we have adequately exposed the history of the matter. Notwithstanding the protestations of the hon. Member for Wrexham (Dr. Marek), formerly the shadow Economic Secretary, the present Prime Minister came into office, believing, for some reason unknown to man or beast, that he could change something that was locked in unanimous cement—why, I cannot imagine. To his great astonishment, and that of the British public, he found that he could not change it in the least. That, of course, represented a major triumph for the getting to the middle of Europe, sitting at the table and then being eaten thesis—why we have to be at the top table and retain our so-called influence.

Leaving that on one side, the devil is in the detail; that came out in our debates in Standing Committee. The provision makes it clear that the Paymaster General inadvertently misled the Committee in explaining the state of the law. It also demonstrates the depth of the mess. Paragraph (4A) of the new clause is the operative item. It tells us that in order to be "a relevant journey", a journey has to begin in the United Kingdom—that is uncontroversial—and has to have an

"immediate destination outside the member States."

You were lucky enough to avoid the Standing Committee where two problems arose, Mr. Deputy Speaker; we christened them the Gibraltar problem and the Basle problem. The Gibraltar problem came to light only after the Paymaster General realised, and correctly and helpfully informed the Committee, that Gibraltar was not actually part of the EU. We had previously thought that it was a Casablanca problem. I had thought that, in order to get duty free, one would have to fly to Casablanca and then on to Gibraltar, because Casablanca is—I quote new clause 6(4A)—

"an immediate destination"

outside the EU, but it turned out that actually one only had to fly to Gibraltar. As long as one goes to Spain via Gibraltar, one will be able to collect duty free; if one goes to Spain directly, one will not.

9.15 pm

My hon. Friend the Member for Spelthorne (Mr. Wilshire) brought out the more vexed issue of the Basle problem. Should Basle airport be privatised, I would recommend that hon. Members consider investing in it early, because Basle has the lucky escape, so to speak, of being in two countries—Switzerland and France—at once, or in neither country at any time. As a result, if one wants to travel inside the EU to France and one happens to be clever enough to do it via Basle, one will also be entitled to duty free, even though one will be walking straight out into France.

Those were just two of the very large run of problems that were brought up, and that illustrated the complicated farce that the present proposals will give rise to. The Paymaster General, in an eloquent series of utterances, told the Committee that it was a puffed-up thing and that no one need worry because

"Passengers would have to go to Casablanca, get off the plane, go into the airport and then rejoin the plane before take-off."

Then she said rhetorically to the Committee:

"What am I supposed to do about duty-free goods outside the EU?"—*[Official Report, Ninth Standing Committee on Delegated Legislation*, 1 July 1999; c. 16.]

Unfortunately, today, the Paymaster General produces new clause 6 and subsection (4A), and we find that the relevant item is the "immediate destination". It turns out that there is no need to get off the plane at all; it is quite

sufficient for that place to be the first stop on one's journey. While one is there, or on the way there, the things that one is sold are stores in the technical meaning of the term and therefore may be sold duty free—and hey presto, the mess is not only a mess, but a mess the character of which, it turned out last week, the Paymaster General has not understood.

Undoubtedly, during the coming weeks and months, clever lawyers, clever airlines and so on will illustrate a heap of other such messes. I am sure that the Paymaster General will then return to the House and say that she never meant any of those things and that she really had quite a different clause in mind. It is just a pity that she has not brought that before the House today.

Mr. Edward Davey: Does the hon. Gentleman think that people travel for duty free or to get from A to B?

Mr. Letwin: The hon. Gentleman, unlike many of us in the House, is obviously not a skier. I have to tell him that there are lots of ways to get to Switzerland and lots of ways to get to France, and quite a lot of them end up by getting from A to B; it is just that one can choose to go via C, D or E. He would be very well advised to think of going via Basle in future.

Mr. David Wilshire (Spelthorne): Thank you for calling me, Mr. Deputy Speaker. I have little doubt that you would rule a general debate about duty free out of order, so I shall confine myself to some specific matters that are raised by new clause 6, which are relevant to duty free in general but more specifically to the financial arrangements.

I am worried about this issue because my constituency is hard up against the boundary fence of Heathrow, which means that either many hundreds, or a 1,000 or so, constituents of mine depend on the duty free trade for their jobs. It also means that a significant number of customs officers who work at Heathrow are my constituents. Perhaps more important still, almost all my constituents—whether they travel for duty free or for other reasons—enjoy duty free, so I am very much involved in the entirety of this debate.

I am worried about new clause 6 because it gives effect to changes that will lead to redundancies in my constituency, and that will put pressure on the decreasing number of customs officers—decreasing because the present Government see fit to reduce the number of customs officers at Heathrow fairly regularly. In case the Paymaster General is tempted to say that new clause 6 will reduce the work load of customs officers, I would respectfully suggest that it will actually increase it because, previously, anyone passing through terminals 1, 2, 3 and 4 bought duty free and away they went, and the Customs and Excise people knew the score. Now, it will be necessary to decide, when a person leaves, for example, from terminal 1, where the heck they are going, or if they are arriving at terminal 1, where they have come from. As a result we shall need more, not fewer, customs officers—or very clear assurances from the Paymaster General that the existing customs officers will not be put upon unreasonably.

The new clause also confirms the Government's failure to prevent something happening that they trumpeted that they would prevent. It is a failure by the Government from which they cannot hide on this occasion. When the Paymaster General replies, it will not be good enough for her to say, "We have obtained some wonderful concessions." I heard her try that trick last week.

I have had a good, long and hard look at the so-called wonderful concessions, and one of them bears mentioning. We were told that, if a ferry is coming across the English channel and someone happens to get himself into the shop before the vessel enters territorial waters, there is a concession that enables the individual to continue shopping. However, the small print states that, after three months the concession will disappear. So much for the Government's marvellous negotiating skills when they go to Brussels.

There are a number of matters concerning the new clause on which I seek clarification. I begin with the concept that it is founded upon the treating of goods in ships and aircraft as stores. Are we absolutely clear what we mean? The clause states that it is necessary to refer to section 1(4) of the Customs and Excise Management Act 1979. That is where we must turn to find our definitions, and I did that this afternoon.

Section 1 of the 1979 Act amounts to four and a half pages of various definitions. The section goes so far as to draw a distinction between a ship, which is defined, and a British ship, which is also defined. Search as I might, I could find no definition of an aircraft. If we are to be told in the new clause that we must refer to the 1979 Act for a starting point, where is the definition of "aircraft" from which we must work?

The Paymaster General may shake her head and think that I am being pedantic. However, she tells us that we must refer to the 1979 Act for a definition of "ship". I ask her to provide us with one for "aircraft".

Another feature that bothers me about the concept of treating goods as stores is that the new clause refers to "Goods . . . carried." It does not refer to goods loaded. Here, there is a problem. As it is made clear in the definition that we are talking about ships and not British ships, we are talking about any ship that comes into a United Kingdom port carrying goods.

Let us suppose that a Norwegian ship leaves Bergen and calls in at Newcastle. There is no problem because it has come from somewhere outside the European Union. However, it is carrying duty-free stores from Bergen which it will take back to Bergen. If I understand the clause correctly, if that ship returns directly to Bergen, there is no problem. It will not have landed anything but it will have duty-free goods on board. However, if that ship, having sailed from Bergen to Newcastle, calls in at Rotterdam before returning to Bergen, Customs and Excise will have to board it and make a list of every last thing on it and make those concerned pay duty, which they may or may not have paid back when they leave Rotterdam to go to Bergen. That is the nonsensical feature of referring to "Goods . . . carried" and not goods loaded. I shall be most grateful if the Paymaster General will tell us why the particular wording has been used.

I am also concerned about "relevant journey" as a definition. We are told that it equals

"an immediate destination outside the member States."

This afternoon, the Paymaster General helpfully gave me a list of those parts of the European Union that are outside the customs union. One of them was Andorra.

[Mr. David Wilshire]

Another that has been mentioned is Gibraltar. However, we are told that a relevant journey must take one outside a member state. Gibraltar is not outside a member state. It is part of the European Union, but it is outside the customs union.

The Andorran situation bears closer scrutiny. Last time I was there, huge numbers of French matrons driving Renaults and Citroens were bombing up and down the mountain, going up empty and coming down full, and seemed to be making numerous journeys every day. If they can go on doing that, why cannot we, when we go across the channel?

I am worried about whether the definition of "relevant journey" is accurate. My hon. Friend the Member for West Dorset (Mr. Letwin) referred to the Basle-Mulhouse problem. I shall not detain the House by rehearsing the stupidity of it, but when I was given a list of parts of the EU that are outside the customs union, I got wonderful places in the Caribbean and other bits of France all over the place, but no mention of that lovely little part of France that is occupied by Basle airport.

As the Paymaster General told us in Committee last week, if we travel into Basle airport from Heathrow, we can have all the duty free to which the allowances entitle us, but it is in France, so the information that we were given this afternoon was, I suggest, duff information. It did not include all those parts of the EU that are outside the customs union.

Will the Paymaster General therefore revisit the answer that she gave me and try again? Will she also tell me whether the definition of "relevant journey" as an immediate destination outside the member states is sufficient, given that she admitted that travelling to a part of France can be construed as a relevant journey? There seems to be some trouble with the drafting.

There is a further problem with the definition of "relevant journey". If we leave Tilbury and head for Tangier, that is a relevant journey. If, however, we have engine trouble on the way and put in in Vigo in northern Spain, do Her Majesty's Customs and Excise have to fly out to Vigo to say, "Oops, sorry, this is not a relevant journey any more, so we want to make sure that you give us all the excise duty and VAT."? If not, where is the qualification in the legislation that states that an unexpected diversion into an EU state does not trigger the problem that I am highlighting?

Mr. Fabricant: My hon. Friend contrasts the difference in travelling from one part of the EU to another, not involving the UK. He asked whether there had been a mistake in the drafting. Does he think that we have over-egged the European Union directive and made it a tougher regime than it need otherwise be?

Mr. Wilshire: I am certain that we shall behave as we usually do in the United Kingdom, and rigorously enforce measures while others shrug their shoulders and may or may not bother to enforce them. That is one of the reasons why we suffer time and again at the hands of Brussels bureaucrats, when others get away with ignoring them. Again, Mr. Deputy Speaker, if I went down that track for much longer, you would rightly call me to order.

Another phrase that concerns me in the wording of the new clause is "for consumption on board". We have not had an explanation why the Government suggest that. I am all in favour of as many concessions as we can get, but this seems illogical. The reason why our harmless bit of fun has been taken away, as I understand it, is that the Brussels bureaucrats decided that it was against the interests of the single market for us to be allowed to buy duty free as we travel round the EU.

If we travel from Paris to London, we are travelling within the EU, but the Brussels bureaucrats say that it is perfectly all right for us to have duty free, provided that we consume it. That is daft. If we can get a concession for consumption, why not other concessions?

The exception is incredibly difficult to enforce. Someone travelling on a ferry may be thirsty and buy lots of drinks, only to be taken ill because the sea is rough. What will he do? He has bought drinks to consume, but has not consumed them. Will customs officers tear around the ship checking what people have eaten, drunk and smoked as they make their journey and demand duty if they have not finished a bottle? We need an explanation.

9.30 pm

Another thing bothers me about the words "for consumption on board". We now know that duty-free prices at places such as Heathrow were seriously inflated—we are talking about £5 on an £8 bottle of spirits. We are granting an exception so that ferry companies and aircraft operators can sell duty-free drinks to passengers. Do the Government plan to make it compulsory for bar price lists and menus to make it clear that the person serving drinks is taking advantage of a duty-free perk? If they do so, there would be a warning of some sort and, when people paid, they would not make the mistake of comparing bar and menu prices with those in what was the duty-free shop and is now the duty-paid shop to judge whether they were being ripped off.

What do the Government have in store for Eurostar in respect of the words "for consumption on board"? When people catch a ferry from Dover to Calais or fly from Heathrow to Charles de Gaulle what they eat, drink and smoke on the ship or the aircraft is duty free—that is the concession—but it is not if they catch a train. That also is illogical. Perhaps the Paymaster General can tell the House why Eurostar and Le Shuttle have been singled out for such particularly nasty treatment.

Mr. James Gray (North Wiltshire): Has my hon. Friend noticed the astonishing urgency with which the Minister's Parliamentary Private Secretary is dashing up and down to pick up bits of briefing? He is obviously hitting a few bull's eyes.

Mr. Wilshire: I am fully expecting detailed answers to all my questions. Although some Labour Members may think that I am being a bit of a nuisance, Mr. Deputy Speaker—*[Interruption.]* I apologise, Madam Deputy Speaker—*[Interruption.]* I apologise, Madam Speaker; you can tell that I have been carried away by my enthusiasm.

The new clause raises two other issues—the safety of aircraft and environmental damage. Profit margins are being cut and the holding down of prices in what were duty-free shops will work only if sales increase. There is now no limit on what people can buy duty paid at Heathrow airport or wherever and it therefore follows that it is perfectly possible to buy a large number of bottles of spirits.

When I raised that issue with the Paymaster General in Committee last week, I received the answer that airlines would not allow vast numbers of bottles to brought on board. However, the number does not have to be vast. Someone with no hand luggage could easily bring four or five bottles on board instead of one. That would be within most airlines' limit. Alternatively—this has already happened—someone could buy a large number of bottles and arrange for the aircraft operator to carry them in the hold.

I represent part of Heathrow, and I am worried by the thought of large quantities of inflammable liquid in glass bottles hurtling about the skies. I believe that we have opened up a safety problem and I should be grateful if the Paymaster General would address it. I am also concerned about the extra weight that will be carried by aircraft. It would be easy to say that I am making another pedantic point, but if the weight carried by an aircraft increases the burn of aviation fuel increases and further damage is done to the atmosphere and the ozone layer.

There is a simple solution to the problem that the new clause causes: the Government should allow the sale of duty-paid products at lower foreign prices to arriving passengers at British airports. They would not then need to go to Charles de Gaulle airport in Paris to stock up with huge numbers of cheaper bottles. They could fly with less luggage, the aircraft would be safer and there would be less chance of environmental damage. I commend that approach to the Minister.

So many messages have been passed to the Paymaster General that I have probably asked enough questions of her. I see that another answer is on its way to her as I speak. I hope that she will not fall into the trap of saying simply that I am being difficult, or trying to wile away a few minutes. All my questions are serious. They raise difficulties about the wording of the clause and the workability of a forthcoming Act of Parliament. All of them need clear answers, although some were technical and, if the answers being passed to the hon. Lady do not answer them in detail, I should be grateful to receive a written reply, copied to the Library.

I deplore what has happened. It has spoiled the fun of many. It causes redundancies in my constituency, and it is yet another reason why the EU's powers need to be taken away. But I am a realist. What has happened has happened, and we must get the Bill right. Will the Minister repeat the undertaking that she gave in Committee to introduce the changes with the lightest possible touch from Customs and Excise in the early stages, when problems will arise? Will she repeat her undertaking to review absolutely everything over the next three to four months—not just what suits her—to see whether we can learn from the mistakes that the Government have undoubtedly made?

Dawn Primarolo: I will not say that the hon. Gentleman was wasting time, and he was wrong to suggest that I should. I think that he is misguided, and that he has not paid attention to the fact that the successor regime operates already. He obviously has not read the newspapers or the undertakings given by suppliers about the possibility of job losses, but I understand entirely why he, like any good constituency Member, is particularly concerned about the future employment of his constituents.

The hon. Gentleman was present when I made it clear that preparations for the abolition of duty free and arrangements for the successor regime were working smoothly for traders and travellers. I am happy to repeat that Customs and Excise will work closely with the trade and will apply the light touch for which he asked. We shall review the work of the successor regime in the light of experience. The hon. Gentleman will have seen that many of the disasters that he predicted, and which he continues to forecast, have not happened.

The hon. Gentleman asked why on-board consumption was VAT free. The Commission announced on 2 October 1998 that member states could continue to allow goods consumed on board to be relieved of VAT. I explained in Committee that the Government would allow that to happen.

Mr. Wilshire: The Minister may recall that I asked whether consumption was exempt of tax alone or of tax and duty. She may have made a slip of the tongue, but I understood her to say that goods would be free of VAT. Will they be free of VAT alone, or duty too?

Dawn Primarolo: I am sorry; I misheard the hon. Gentleman. I thought that he was asking about VAT only. The position that I set out earlier on excise duty and VAT is correct.

The hon. Gentleman asked about the immediate destination provision. As I said in Committee, if a flight involves a stop-over outside the European Union, travellers have a limited entitlement to duty-free goods. As he well knows, it is a very limited entitlement and may not be the bargain that they thought they would get.

Over the next few months, the staff of Customs and Excise will concentrate on helping the industry to adjust to the new regime. In the long term, Customs and Excise does not expect the duty-paid regime to be any more demanding of its resources than the former duty-free regime.

The hon. Gentleman may have seen the report in *The Sunday Telegraph* on the decision of British Airways not to sell alcohol and tobacco on flights, but to continue to offer other goods under the EU restrictions.

As I said to the hon. Gentleman in Committee, safety is a matter for the airline companies, which are perfectly capable of enforcing a reasonable attitude towards the carrying of duty-paid goods, and are doing so.

The hon. Gentleman's final point was on triangular routes. A ferry may move through several duty regimes. As I said in Committee and in my opening remarks, the simplified arrangements apply to the majority of journeys. However, in the exceptional case of triangular routes, fuller accounting procedures are required. Those operators are already used to dealing with more complex accounting of their stores and sales under the old regime. The problem that the hon. Gentleman forecasts is not manifesting itself in the spectacular way that he continues to suggest.

The Government would have preferred more time to work on a successor regime, but it was not available to us. We would have preferred it if the previous Government had made some preparation for the abolition of duty free, for which they voted, but they did not. In the circumstances, we have a regime that has been welcomed by the trade, that is working well for the travellers,

[Dawn Primarolo]

and that is ensuring that the transition from duty free to the new regime is as smooth as it could possibly be. I commend the new clause to the House.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 14

WORKS OF ART, ANTIQUES, ETC.

'.—(1) In subsection (4) of section 21 of the Value Added Tax Act 1994 (which treats as reduced for VAT purposes the value of goods falling within subsection (5) of that section and imported from outside the EC)—

(a) at the beginning there shall be inserted "Subject to subsection (6D) below,";

(b) for "14.29 per cent." there shall be substituted "28.58 per cent."

(2) For subsections (5) and (6) of that section there shall be substituted the following subsections—

"(5) The goods that fall within this subsection are—

(a) any work of art;

(b) any antique, not falling within paragraph (a) above or (c) below, that is more than one hundred years old;

(c) any collection or collector's piece that is of zoological, botanical, mineralogical, anatomical, historical, archaeological, palaeontological, ethnographic, numismatic or philatelic interest.

(6) In this section 'work of art' means, subject to subsections (6A) and (6B) below—

(a) any mounted or unmounted painting, drawing, collage, decorative plaque or similar picture that was executed by hand;

(b) any original engraving, lithograph or other print which—

(i) was produced from one or more plates executed by hand by an individual who executed them without using any mechanical or photomechanical process; and

(ii) either is the only one produced from the plate or plates or is comprised in a limited edition;

(c) any original sculpture or statuary, in any material;

(d) any sculpture cast which—

(i) was produced by or under the supervision of the individual who made the mould or became entitled to it by succession on the death of that individual; and

(ii) either is the only cast produced from the mould or is comprised in a limited edition;

(e) any tapestry or other hanging which—

(i) was made by hand from an original design; and

(ii) either is the only one made from the design or is comprised in a limited edition;

(f) any ceramic executed by an individual and signed by him;

(g) any enamel on copper which—

(i) was executed by hand;

(ii) is signed either by the person who executed it or by someone on behalf of the studio where it was executed;

(iii) either is the only one made from the design in question or is comprised in a limited edition; and

(iv) is not comprised in an article of jewellery or an article of a kind produced by goldsmiths or silversmiths;

(h) any mounted or unmounted photograph which—

(i) was printed by or under the supervision of the photographer;

(ii) is signed by him; and

(iii) either is the only print made from the exposure in question or is comprised in a limited edition;

(6A) The following do not fall within subsection (5) above by virtue of subsection (6)(a) above, that is to say—

(a) any technical drawing, map or plan;

(b) any picture comprised in a manufactured article that has been hand-decorated; or

(c) anything in the nature of scenery, including a backcloth.

(6B) An item comprised in a limited edition shall be taken to be so comprised for the purposes of subsection (6)(d) to (h) above only if—

(a) in the case of sculpture casts—

(i) the edition is limited so that the number produced from the same mould does not exceed eight; or

(ii) the edition comprises a limited edition of nine or more casts made before 1st January 1989 which the Commissioners have directed should be treated, in the exceptional circumstances of the case, as a limited edition for the purposes of subsection (6)(d) above;

(b) in the case of tapestries and hangings, the edition is limited so that the number produced from the same design does not exceed eight;

(c) in the case of enamels on copper—

(i) the edition is limited so that the number produced from the same design does not exceed eight; and

(ii) each of the enamels in the edition is numbered and is signed as mentioned in subsection (6)(g)(ii) above;

(d) in the case of photographs—

(i) the edition is limited so that the number produced from the same exposure does not exceed thirty; and

(ii) each of the prints in the edition is numbered and is signed as mentioned in subsection (6)(h)(ii) above.

(6C) For the purposes of this section a collector's piece is of philatelic interest if—

(a) it is a postage or revenue stamp, a postmark, a first-day cover or an item of pre-stamped stationery; and

(b) it is franked or (if unfranked) it is not legal tender and is not intended for use as such.

(6D) Subsection (4) above does not apply in the case of any goods imported from outside the member States if—

(a) the whole of the VAT chargeable on their importation falls to be relieved by virtue of an order under section 37(1); or

(b) they were exported from the United Kingdom during the period of twelve months ending with the date of their importation."

(3) This section has effect in relation to goods imported at any time on or after the day on which this Act is passed.'.—*[Dawn Primarolo.]*

Brought up, and read the First time.

Dawn Primarolo: I beg to move, That the clause be read a Second time.

The new clause enables the United Kingdom to fulfil its legal obligations under the seventh VAT directive, as incorporated in the EC sixth VAT directive. That directive requires member states to apply a minimum rate of VAT

of at least 5 per cent. to a wide range of imported works of art, antiques and collectors' pieces. The new clause implements the undertaking given by the previous Government to increase our rate to the minimum level.

Since 1995, the United Kingdom has applied a rate of 2½ per cent. to a limited range of works of art, antiques and collectors' items. Until the UK implemented the seventh directive, those products had been relieved from import VAT. That rate of 2½ per cent. has been available to the UK only under a transitional derogation, which was time-limited to 30 June 1999.

9.45 pm

Despite our inheritance from the previous Government, this Government have decided that, on balance, it would be better all round for our 2½ per cent. rate to be more widely available in the Community. We have fought that case long and hard in Europe, arguing that the interests of both the United Kingdom and the Community generally would be best served by 2½ per cent. being made the minimum rate available to all member states. However, we have also pressed the case for the UK to retain its special rate for a further period in the event of our failing to reach agreement with our European partners.

Mr. Fabricant: Will the Paymaster General give way?

Dawn Primarolo: May I finish what I am saying? After that, I shall be happy to respond to any points that the hon. Gentleman wishes to make.

Either of those proposals would have required both the support of the European Commission and the unanimous agreement of all other member states. Despite our efforts, it became clear that there would be little support for the UK position, and it has therefore not been possible to secure the unanimous agreement that was necessary to bring about the change.

Mr. St. Aubyn: Will the Paymaster General give way?

Dawn Primarolo: I want to finish what I am saying. I shall then be happy to respond to any points that hon. Members make in the debate.

We have throughout worked closely with the art trade. We fully realise the importance of the British art market and its worldwide standing. For those reasons, we propose to ease the effects of the increase in the rate of import VAT by widening the scope of the new 5 per cent. rate to a broader range of art works. That rate will apply to the full range of items that may be entitled to a reduced rate of import VAT under the sixth directive.

Mr. Andrew Tyrie (Chichester): Will the Paymaster General give way?

Dawn Primarolo: I should be grateful if the hon. Gentleman would let me put the case. I shall, of course, respond to the points that hon. Members make in the debate. We engaged in some discussion about the matter at the outset, and I know that the hon. Gentleman is keen to take part.

Even with the increase, there is still no lower rate of import VAT in Europe on works of art. It is the minimum that the Government need to do to comply with the absolute legal obligation that we inherited from the last Administration. The package offers a much wider coverage of the reduced rate for art imports and should ensure that the UK remains an attractive place for the art trade.

Our proposals have been welcomed by the British art market, which has acknowledged the length to which the Government went to try to undo the damage done by their predecessor. I commend the new clause.

Mr. St. Aubyn: I am grateful to my right hon. Friend the Member for Cities of London and Westminster (Mr. Brooke) for drawing attention to the last Government's difficulties. Their decision to accept the halfway house that has persisted until now was a compromise that was, in effect, forced upon them. It was always envisaged that the economic impact of a 2.5 per cent. VAT rate would be properly assessed by the European Union, and it was reasonable to suppose four years ago that, when the matter came up for review this year, our partners would understand the effect that the rate has had on the London art market in particular.

The Paymaster General asked us to applaud her efforts. The fact is that the widening of the 5 per cent. band will not affect the major issue, which is where international art sales take place. It is in the sales of Impressionist paintings and old masters that the really attractive big money is being spent. Those are exactly the sort of sales which, in the future, will take place almost exclusively in Geneva, New York and other places outside the European Union. It is the lucrative end of the market that London will lose, and the consequences for London will be severe.

The Paymaster General has failed to tell us in this debate or the previous one how many jobs she expects the market to lose as a result of the measure. There can be no doubt that jobs will be lost. It may not be as many as the 5,000 predicted earlier—let us hope that that is the case—but there will be job losses.

The Paymaster General's comment that the new measure is tax neutral beggars belief. The only sense in which it is tax neutral is that the amount of tax that is raised may be no more than the amount that was raised under the previous system. Any situation in which the tax rate doubles but the amount of tax collected remains the same is, by implication, one in which the volume of transactions has, in effect, halved. Will she confirm—I hope she is listening—that in the key areas, including the old masters, the Impressionists and other parts of the value end of the art market, the implication of her prediction on revenue is that the value of sales in the United Kingdom will halve as a result of the increase in tax?

In Committee, I suggested to the Paymaster General and her advisers that they should look at the exemption for culture under the sixth VAT directive. There is a clear exemption for cultural activity in the European Union—VAT should not apply to cultural activities where those are not to the disadvantage of other member states.

It is widely agreed that, in the case of the art market, any low rate in the UK is not to the disadvantage of other member states because we are in competition not with them, but with Geneva, New York and other centres where there is no tax to pay. Why is it that before we did not impose tax on art sales in this country? It is because, fundamentally, it is not a financial transaction but a

[Mr. St. Aubyn]

cultural exchange. Therefore, under the VAT directive, there is a specific exemption, which could be explored with our other partners. On that basis, a wide exemption could be granted to the market in this country.

Four years ago, we chose not to go down the contentious legal route to protect our art market. We chose to enter a compromise deal—

Mr. Geraint Davies: Will the hon. Gentleman give way?

Mr. St. Aubyn: I will finish in a moment; I shall let the hon. Gentleman in in a moment.

We chose to enter a compromise deal on the basis that, within four years, the evidence would be clear that the rate was damaging our market and not helping anyone else's. We assumed that our partners in Europe would accede to our request at the end of the period to cut the rate again. Having failed to do so, we should be going down the legalistic route. We should be trying to protect a valuable business in this country. It is the Government's failure to do so, despite their promises in recent months, that is the real disappointment. That is why our questions deserve a proper answer from the Paymaster General.

Mr. John Townend (East Yorkshire): I do not know whether I heard the Paymaster General correctly, but I got the impression that she said that the 5 per cent. rate was not continuous but for a limited period. If that is so, will she tell us how long that period is and what the rate is likely to increase to?

The Paymaster General surprisingly said that the decision to double the VAT rate was welcomed by the art trade in this country. I find that incomprehensible because the only people who will welcome the VAT increase in London are art dealers in New York and Switzerland.

The terrible situation has shown us one thing. As my hon. Friend the Member for Guildford (Mr. St. Aubyn) said, naturally, we expected from an equitable point of view that our European colleagues, having looked at the effect of the 2.5 per cent. rate, would see reason and allow us to continue at that rate. As has been said many times, it is not a question of harmonisation to remove unfair competition with other countries in Europe. There are only three international markets in the world: London, Geneva and New York. Once the change is made, all that will happen is that the European Union as a whole will lose out in the international art market to America and to Switzerland. Does not that fact demonstrate—to the House and to the British people—that, when our vital national interests are at stake, we cannot depend on Europe?

It does not matter whether the previous Government made a great mistake in agreeing the change or the current Government are making a mistake now. The current Government said, "Things will be different: we are at the heart of Europe. We shall persuade our European partners to see reason." In this case, we have reason on our side, but the Government have failed completely.

Mr. Geraint Davies: Today, we have heard much froth and rubbish from Opposition Members on the issue to which there are two aspects: first, VAT on certain items will be increased from 2.5 to 5 per cent.; secondly, there will be a VAT reduction on other works of art. However, we have not heard much from Opposition Members about the VAT reduction.

Let us get our facts right. Earlier, my hon. Friend the Member for Shipley (Mr. Leslie) asked the shadow Paymaster General, the right hon. Member for Wells (Mr. Heathcoat-Amory), whether he was Paymaster General in 1994, when the previous, Conservative Government agreed the VAT increase from 2.5 to 5 per cent.—about which Conservative Members have been whingeing today, but which they agreed—but he said that he was not Paymaster General at that time. *[Interruption.]* However, all the records—such as old lists of ministerial responsibilities—seem to say that, in September 1994, David Heathcoat-Amory Esq. was the Paymaster General.

Mr. Heathcoat-Amory *rose—*

Mr. Davies: Obviously the right hon. Gentleman has some sort of memory problem. Perhaps that is why he has a majority of only 528. [HON. MEMBERS: "Give way."] I shall certainly give way, if the right hon. Gentleman would like to correct the record.

Mr. Heathcoat-Amory: I am grateful to the hon. Gentleman for graciously giving way, as he mentioned me. I should like to make it absolutely clear, and beyond doubt, that I had nothing to do with the negotiation of those matters or the decision, all of which were dealt with by my noble Friend Lord Cope. Will the hon. Gentleman accept that assurance?

Mr. Davies: Does that mean that the right hon. Gentleman knew nothing about it, and had no responsibility for it whatsoever? In answer to the question of my hon. Friend the Member for Shipley, the right hon. Gentleman said that, in 1994, he was not Paymaster General—but he was. Could we get that matter clear, for the record? What sort of Cabinet was involved in the decision? Regardless of whether the decision was taken by him, one of his colleagues or someone who has subsequently slipped off the electoral terrain—as I said, the right hon. Gentleman has a majority of only 528—with such talk about positions previously held, one wonders whether he will be in the House for very much longer. The simple fact is that British art will be successful for much longer than he will be.

There will be a marginal tax increase. Although no one welcomes the increase—which was introduced by Conservative Members—to counteract it, the Government are introducing all types of concessions. There will be a massive reduction in the marginal rate of VAT, from 17.5 to 5 per cent., on tapestries, ceramics, enamels and photographs.

More widely, there is a new generation in a thriving antiques industry, which will generate many new jobs. However, all we hear from whingeing Opposition Members—crying crocodile tears, moaning and rolling around on the Opposition Benches—is, "What about the

job cuts?" The Government are reviving the industry, while dealing with the legacy of tax constraints that we inherited from the previous Government.

Mr. St. Aubyn: Will the hon. Gentleman give way?

Mr. Davies: Perhaps we can now move on. I would have taken the hon. Gentleman's intervention, but he refused—from absolute embarrassment—to take mine.

Mr. Tyrie: I simply want to ask the Paymaster General a few questions that I was unable to put in an intervention.

First, will the Paymaster General clarify the assumptions behind her forecast of a £10 million revenue increase from the VAT increase from 2.5 to 5 per cent? Will she state categorically whether those assumptions include the sharp fall in business that is likely to occur because of the VAT increase?

Secondly, will the hon. Lady commit herself to the review that my right hon. Friend the Member for Wells (Mr. Heathcoat–Amory) asked for? Will the Government go to Brussels and press for another report after a couple of years, which will show the damaging effect that the increase in VAT will have in Britain and across the European market? The market will move out of Europe to New York and Tokyo. Will she commit herself to pushing for a review of this absurd policy after a couple of years?

10 pm

Mr. Christopher Gill (Ludlow): My hon. Friends the Members for East Yorkshire (Mr. Townend) and for Guildford (Mr. St. Aubyn) have made a good case on behalf of the London art market and shown how the tax will adversely affect it. I have every sympathy with their point of view and the strength of their argument.

The Government are fully signed up to the European Union. Instead of looking at the issue in the narrow confines of the British interest, why has it not been possible for the British Government to persuade the European Union that not increasing the tax is in the interests of the European Union as a whole, not just the London art market? London is part of the broader picture. Why has it not been possible to persuade the powers that be that the change would damage the European Union? The argument should be advanced on a broader plain. We need to explain to our European partners that the opposition is in New York and Geneva. By damaging the London market, all that we are doing is damaging Europe.

Mr. Fabricant: I endeavoured to intervene on the Minister earlier, but she was determined not to let anyone in. When we debated the subject on the earlier narrow Ways and Means motion, she said that we would be quite competitive at 5 per cent., because, apart from Denmark, other countries had a higher rate. The problem is that those countries are not the competitors. The competitors are Basel, Geneva and New York. What is the general sales tax for art works in New York state or Geneva?

Mr. Heathcoat-Amory: We debated the issue earlier today, but there are some questions outstanding, to which my hon. Friends have referred. I have two questions.

It is regrettable that VAT on imports is to be doubled. That will be a heavy and savage blow to the British art market. No one has made a secret of the fact that we are dealing with a pre-existing directive. I am happy to reassure the hon. Member for Croydon, Central (Mr. Davies) again that it had nothing to do with me. The negotiations took place while my predecessor was Paymaster General, but I do not dissociate myself from my noble Friend Lord Cope, who secured an undertaking that the Commission would conduct a study before the derogation ran out. That study was forthcoming and showed that damage had been caused even at the existing levels of VAT on art imports.

The study also mentions that in the 1950s Paris was the biggest art market not just in Europe, but in the world. It has been damaged by a combination of the droit de suite—a levy on the resale of works of art—and the imposition of VAT on art imported into France. That is a matter for the French Government, but the same levels of VAT are to be imposed on the UK market despite the damage that has been shown in the study by the consultants. That conflicts with article 2 of the treaty of Rome, as amended, which says that the European Union should have a number of objectives, the first of which is to promote economic and social progress and a high level of employment. It has been shown by the study that the proposal will cost jobs in the EU, and will undoubtedly do further economic damage. It is my contention that the European Commission is breaking the treaty in persisting with its intention to bring the minimum level of VAT on art imports up to 5 per cent.

My first request, which has been echoed by my hon. Friends, is that the Commission should be asked to conduct a further study after the VAT directive is enacted to ensure that no further damage is done and, if damage is inflicted, that action will be taken. That is a modest request to make of the Government.

My second request concerns the linked matter of droit de suite. Happily, that separate threat has been deferred. However, it has only been postponed, and I would like to know on what terms it has been deferred, whether it will come back, whether further technical work will be undertaken and whether further political consultations are taking place.

The art market needs to know the answers to those questions tonight. I asked them earlier today without success. Perhaps the Minister will take this opportunity to answer those two specific questions.

Dawn Primarolo: We can sum up the approach of the right hon. Member for Wells (Mr. Heathcoat-Amory) as, "It is nothing to do with me. I was just a member of the Government of the time—or, at least, I was voting for them."

The previous Government committed the United Kingdom to an absolute legal obligation to increase VAT on works of art from 2.5 per cent. to 5 per cent. It is true that the previous Government asked the Commission to undertake an independent study of the impact of the imposition of 2.5 per cent. VAT on the art market. However, the study was not made conditional on anything. It was not put in the directive, nor was it said that the derogation should not expire until the study was completed.

The study was completed independently, and arrived late. It showed that there were grounds for continuing to argue the case that the increase from 2.5 per cent. to 5 per cent. should not take place. The Commission ignored that,

[Dawn Primarolo]

and made its own recommendations. The Government were faced with an absolute legal obligation to increase the VAT to 5 per cent, which could not be resisted. There was simply no practical choice but to implement the increase. We were faced with the legal obligations signed up to by the previous Government.

Earlier, I referred to the cost to the British art market, how much revenue would be raised by increasing the levy to 5 per cent. and the results of the concession. The British Art Market Federation has said that it believes that the overall package will enable the art market to remain as competitive as it is already. Therefore, the Government's figures of a £10 million rise, as well as the cost of the concession, will result in a revenue-neutral position. *[Interruption.]* I am not surprised that Conservative Members do not want to listen, because their crocodile tears at this late stage are pathetic. The Government have fought hard, working in partnership with the art market, and we continue to press the case. We made it clear to the Commission that we want to pursue the impact on the art market of increasing VAT.

The British art market is of value to Europe. We should think not about our art market versus the rest of Europe but about sales in the international market. I am happy to give the House the undertaking that the Government will continue to fight for the best interests of the art market. We deeply regret the fact that the previous Government were so foolish as to create an absolute legal obligation with which we now have to comply, but there is no alternative.

The package that we have proposed will enable the art market, so it tells us, to remain competitive and vibrant and attract new trade.

Mr. Townend: The Paymaster General said that the art market has said that the reductions on ceramics and tapestries—which are minor parts of the market compared with painting—will allow it to remain competitive. Who exactly has said that?

Dawn Primarolo: I could send the hon. Gentleman a copy of the British Art Market Federation's press release in response to our proposals. I am sure that he would be delighted to read it and to congratulate the Government on having done our very best—given that we were forced to increase VAT—to put together a package that mitigates the impact and helps the art market. I commend the new clause to the House.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 5

PREPARATIONS ETC. OF MEAT, YEAST OR EGG

'. Schedule 8 to the Value Added Tax Act 1994 (zero–rating) shall have effect, and be deemed always to have had effect, as if in Group 1 (food), in Note (6) (which provides that certain items which override the exceptions listed in that Group relate only to item 4 of the excepted items (non–alcoholic beverages)) for "Items 4 to 6" there were substituted "Items 4 to 7".'.—*[Dawn Primarolo.]*

Brought up, and read the First time.

Dawn Primarolo: I beg to move, That the clause be read a Second time.

The new clause corrects an error made in the transcribing of a cross-reference from the Value Added Tax Act 1983 to the Value Added Tax Act 1994, unintentionally extending zero-rating to VAT on food to include pet food, although it has been this Government's, the previous Government's and the industry's interpretation that VAT was to be applied at 17.5 per cent. It restores the position to what everyone understood it to be until Customs and Excise recently discovered the error. I commend it to the House.

Mr. Letwin: The new clause gives us a marvellous illustration of what is wrong with VAT legislation. The drafting mistake that the new clause remedies arose because of a quadruple negative. In the first place, everything is subject to VAT, but schedule 8 zero-rates—makes not VATable—certain items, including those in group 1, item 2 of which is animal feeding stuffs and pet foods; but certain items in group 1 are excepted and are not not VATable; but there is an override for preparations and extracts of yeast, meat or egg, which are not not zero-rated, or not not not VATable, making them not VATable, or zero-rated; but the override is overridden by note (6), which restricts some of the overrides to beverages such as Bovril, the favourite drink of my hon. Friend the Member for Lichfield (Mr. Fabricant). That makes the other meaty preparations on that list not not not zero-rated, in which case, they are not not not not VATable—in which case, they are, of course, VATable. All of that was meant to apply to pet foods—poor old pet foods.

Unfortunately, that string of quadruple negatives quite defeated Her Majesty's Government's magnificent legal advisers—and, we are to assume because no challenge was levelled, the entirety of the private sector, until very recently. Now, Her Majesty's Government have splendidly caught up with the fact after the fact; but they hardly needed to because, as my hon. Friend the Member for Rochford and Southend, East (Sir T. Taylor) pointed out earlier this afternoon, the sixth VAT directive probably had direct effect throughout, so there was probably no need for the change.

That brings me to my questions. Does the Paymaster General know what the yield of the measure will be if it has been correctly drafted? I asked her this some hours ago, when we debated the Ways and Means motion, but she failed to answer—no doubt it was an oversight. Perhaps she will answer now.

10.15 pm

Mr. John Bercow (Buckingham): The challenge my hon. Friend poses the Paymaster General is entirely unexceptionable, so I assume that she will be able to answer it. However, does my hon. Friend agree that the hon. Lady does not have to look into the crystal ball when she can read the book? Given that, in answer to my hon. Friend the Member for Rochford and Southend, East (Sir T. Taylor), the Paymaster General said that this tax had not only been incurred legally, but had been paid by the relevant sector in previous years, should she not be able to tell us how much was paid in the financial year 1998-99, and do so immediately?

Mr. Letwin: My hon. Friend is absolutely right. We are discussing an opportunity loss for the Exchequer and, since we can know what revenue came to the Exchequer

through pet food VAT last year, the Paymaster General should be able to estimate what the opportunity loss would be were the new clause not added to the Bill—always assuming it had any value in the first place.

My next question is whether the drafting is now right. I should not bother to ask were it not for the fact that the whole thing is so incomprehensible that it defeated all the draftsmen to begin with, and it might be that there is a mistake this time.

I should also like to know what is a packaged food for birds. Packaged foods for birds will be caught, but packaged foods that happen to be eaten by birds but are not for birds will not be caught. This is just like the Medicines Control Agency: a great deal of fuss and bother has been caused by the difficulty of determining what something is for before one has eaten it. Whether the thing in question is caught depends to a great extent on whether one is a bird or a human being.

I hope that the Paymaster General can tell us that she is confident that, this time around, she and her officials have got the drafting right, because what we have here is legislation that is a dreadful mess. That is nobody's fault—the blame must be spread across the past 50 years—but the situation has been greatly worsened by the sixth VAT directive. What we should have been dealing with this evening is a proper clearing up of some ghastly architecture; unfortunately, what we have is just another piece of patchwork.

I hope that the Paymaster General will tell us, first, that the provision yields some serious revenue and, secondly and crucially, that it has been correctly drafted this time.

Dawn Primarolo: The answer to the hon. Gentleman's second question is that I sincerely hope that the provision is correctly drafted this time and that the transcription error has now been corrected. The yield is £185 million a year, which is not an insignificant sum, so it seemed to be a good idea that the Government should maintain the revenue.

I know that it is late, but I think that the Opposition should consider calming down, and agreeing that the new clause makes sense and represents sensible management. I apologise to the House for the previous Government having made the error, and I hope that the Opposition will now agree to its being corrected.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 3

NON-TAX PAYERS

'Nothing in the Income and Corporation Taxes Act 1988 shall have the effect that any tax payer whose total income is below the personal allowance threshold for income tax purposes shall pay income tax.'.—*[Mr. Quentin Davies.]*

Brought up, and read the First time.

Mr. Quentin Davies: I beg to move, That the clause be read a Second time.

Madam Speaker: With this, it will be convenient to discuss the following: New clause 18—*A pensioner's tax exemption certificate—*

'.—(1) The Inland Revenue shall be given the power to issue tax exemption certificates to taxpayers who, at any time within that year are of the age of 65 or upwards, whose income does not exceed £6,000 (Tax Exemption Certificate Limit), and is likely not to exceed that limit in the three following years.

(2) The Tax Exemption Certificate shall:

(a) entitle the taxpayer to receive income from all sources without deduction of income tax

(b) exempt the taxpayer from dealings with the Inland Revenue, save to confirm the level of income when renewing the Tax Exemption Certificate

(c) require the taxpayer to notify the Inland Revenue by 5th October following the end of the tax year where their income has exceeded the Tax Exemption Certificate limit

(d) be granted for a period of four consecutive years.

(3) The Tax Exemption Certificate limit shall be automatically uprated every year in accordance with section 257 of the Taxes Act 1988.'.

Amendment No. 2, in clause 19, page 9, line 12, leave out '20' and insert '10'.

Mr. Davies: I remind the House that I have interests that are listed in the register, but none of them is relevant to this debate or to earlier debates.

This is a crucial point in the proceedings. There is no need for any political banter or point-scoring. In tabling new clause 3 and amendment No. 3, we contend that the Government, in only two years, have inflicted immense damage on our income tax system. They have brought about a disreputable shambles by making changes that bear no relationship to the principles that ought to characterise a tax system. In a fair, just and economically sensible and successful society, a tax system ought to be based on the principles of justice, clarity and rationality. We now have an income tax system that is brutally unfair, discriminatory—particularly against the most vulnerable people—and incomprehensibly irrational and opaque.

I turn first to the callously unfair aspects of the tax system, as modified by the new Labour Government. The result of their measures is that people at the bottom of the income scale, whose incomes are so low that they do not even reach the income tax threshold, are now subject to income tax. That is already having a devastating effect on the finances of extremely—indeed, I would say almost pathetically—poor people.

Let us consider someone whose total income is £5,000 a year, which is derived from dividends. That person might be one of those widows whom the Government have decided, in other measures, to deprive of their widows pension. We debated and, I regret to say, unsuccessfully opposed that vicious measure only a few months ago. That person might be somebody who has no pension or other source of income, but who has saved from a lifetime of self-employment a small amount of money that now yields £5,000. That person might be someone who had to leave employment because of disablement, and we know how the Government have now cruelly restricted the eligibility criteria for incapacity benefit and are means-testing that benefit.

Those people are at the bottom of the income scale. A few months ago, their income was £5,000. What is their position now, following the Government's measures? It is almost inconceivable. Most people in this country, who are not in that category, have not even begun to face the reality of what has happened to people on the

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lowest incomes. The result of the Government's measures is that people who had £5,000 to live on now have only £4,000. Those people, who are extremely vulnerable, have lost £1,000 a year, which is an income reduction of 20 per cent.

Mr. Bercow: My hon. Friend is expounding the case with great force and eloquence. Is he aware that during the proceedings on last year's Finance Bill, the hon. and learned Member for Dudley, North (Mr. Cranston) urged the then Paymaster General to reconsider the Government's position on the tax treatment of dividends as it affected people of pensionable age? The hon. and learned Gentleman, having made that suggestion as a Government Back Bencher to the beleaguered Paymaster General, was subsequently promoted to the post of Solicitor-General. Sadly, despite his promotion, the Government have not shifted their position. Is not it about time that they did so, or that the Solicitor-General relinquished his post?

Mr. Davies: My hon. Friend makes two telling points—one about an hon. and learned Member who certainly ought to be considering his position in the new Labour Administration. I hope that the Financial Secretary to the Treasury, who is about to respond to me, is also considering not just her position, but whether she feels proud to serve in a Government who press on the poorest people in our society in such a malicious and devastating fashion. That is exactly what has occurred.

As my hon. Friend the Member for Buckingham (Mr. Bercow) rightly said, the former Paymaster General, the hon. Member for Coventry, North-West (Mr. Robinson), felt sufficiently ashamed by what his Government had done to express his embarrassment in Committee and to hold out the prospect that something would be done. Nothing, of course, has been done.

This is part and parcel of a campaign waged by this new Labour Government against the new poor—people who are at the bottom of the income scale, but who have a small amount of savings and therefore do not qualify for the Government's means-tested benefits. They are being clobbered over and again by these vicious tax measures.

One thing is quite extraordinary: the Government have protected certain categories of people from the impact of the abolition of the dividend tax credit. They have protected the higher taxpayers—people who would have been paying a marginal 40 per cent. tax on their dividend income and who continue to pay a marginal 40 per cent. on other sources of income. They have a new dividend tax rate of 32.5 per cent. The Government have protected overseas holders of British equities, so that Americans who receive a dividend stream from this country will still receive a cheque—a tax credit—from the Treasury.

The Government cannot find a single crumb for people in this country who have saved hard or who are—perhaps—widows whose husbands saved on their behalf and who have some small savings income from dividends on which to live. The Government should be utterly ashamed of themselves. It amazes me that they can sleep happily in their beds knowing how cruelly they have ruined the standards of living of people who are right at the bottom of the income scale. That is the achievement of new Labour.

Mr. Christopher Leslie (Shipley): Do the hon. Gentleman's comments about people on the lowest income mean that he will now support the working families tax credit?

Mr. Davies: The hon. Gentleman has been well schooled by new Labour. The technique that he has learned is this: if one is asked an awkward question, if one is confronted with unpleasant reality, and if it is suggested that one's Government have betrayed the very principles on which the Labour party has thrived for most of this century, one changes the subject. The hon. Gentleman has tried unconvincingly to do so.

I shall next consider people who are slightly up the income scale. What is the position of savers who have an income from saving, from bank deposits, building societies, bonds and gilts, or wherever, which takes them just above the income tax threshold? They do not benefit from the new lower tax rate of 10 per cent. They therefore find themselves at a disadvantage. For reasons incomprehensible, and certainly indefensible either in terms of justice or economic rationality, such savers are taxed at 20 per cent.—not at 10 per cent., as for the first £1,500 earned income band of taxable income.

What has actually occurred? I shall briefly go through the range of rates, because the public have not yet focused on what has happened. Until last year, under the regime inherited from previous Conservative Administrations, there were only three income tax rates in this country. They were applied simply according to the taxpayer's income. They were progressive: the basic rate of tax was 23 per cent.; the lower rate was 20 per cent.; and the higher rate was 40 per cent. People paid at the relevant marginal rate according to their income. The system was fair, rational and comprehensible, and was widely accepted.

10.30 pm

What have the Government done during their two years in power? They have replaced those three rates—that simple and rational system—by eight different categories of liability for income tax and by five, soon to be six, different rates. They did so according to no principle at all, so that what has emerged is a dog's breakfast. There is a 10 per cent. lower rate of income tax on the first £1,500 of earnings from employment or self-employment. That does not apply to savings income from bank or building society deposits, bonds, gilts and so on. There is a 10 per cent. basic rate on dividends—not a lower rate—which takes that tax rate on dividend income up to more than £32,000. That is an extremely low rate. Anyone who receives dividend income up to more than £32,000—taking into account the personal allowance, which, I think, is now £4,335—does not have to make any further payments to the Revenue; that person does not have to account for any further tax.

Then, there is a 20 per cent. basic rate on other savings income, so that, although dividends are taxed at 10 per cent, bank deposits are taxed at 20 per cent. Where is the rhyme or reason in that? What about income from earnings from employment or self-employment?

The basic rate is 23 per cent.—not 20 per cent. as for savings—for income within the range of the basic rate; that is up to £32,000 for people aged below 65, and slightly more than that for those aged over 65.

I have already referred to the new 32.5 per cent. higher rate on dividends; there is a 40 per cent. higher rate on other savings income, and on income deriving from employment or self-employment. Soon, there will be an eighth category and a sixth rate: a 44 per cent. marginal rate for those with children, when the child tax credit comes in.

The system is a complete shambles, based on no conceivable principle. Is it to be defended as being fair to the poor and slightly more unpleasant for the wealthier? No, not at all. As I have shown in my example, the people who suffer most—with a 20 per cent. reduction in their income overnight—are the poorest in the country, who have a savings income from dividends. On the other hand, higher rate taxpayers are protected; if they have dividend income, they are subject to a special 32.5 per cent. rate. One could not possibly say that the new system is a workers tax, as has been argued by new Labour, and that people receive better tax treatment if their income is from employment or self-employment rather than from savings. The reverse is true. People with higher earnings from employment and self-employment will pay tax at a margin of 40 per cent., whereas, if their income derives from dividends, the rate is 32.5 per cent. There is no rhyme or reason in that.

I take two examples from different ends of the range. First, let us take a person whose total income is £6,000. If that income derives from United Kingdom dividends, they get £6,000; that is fine. If that income derives from bank interest, they will pay 20 per cent. tax above the threshold, and their income will be £5,711. If they have earned income, they will pay 10 per cent. for the first band of £1,500 above the personal allowance, and they will get £5,855. If their income were from foreign dividends, they would get the same amount, because a rate of 10 per cent. would apply. If they have—

Mr. Geraint Davies: Will the hon. Gentleman give way?

Mr. Davies: Not at this stage.

Therefore, we have a series of five different possibilities—income from UK dividends; income from bank interest; income from earnings; income from foreign dividends; or income from PEPs and ISAs, in which case there will be a tax credit of 10 per cent., so the person will end up with £6,600. The income tax rate depends, not on how much one earns, but on the source of income.

Secondly, let us take someone with a total income of £30,000. If their income derives from dividends, they are credited with having paid tax at 10 per cent. and have nothing more to pay. If it derives from bank interest, it is taxed at 20 per cent. beyond the personal allowance, and they will get £25,665. From self-employment or employment, they will get £24,293; from foreign dividends, £27,433. From PEPs or ISAs, they will get £33,000 because they will get a tax credit. There is no rhyme or reason in that.

This is a system that simply cannot remain viable. This is a system that has lost all touch with justice or good sense. This is a system that the Government have managed to introduce in merely two years. They have produced a shambles—an extremely damaging shambles—and they are in danger of undermining the fundamental support for taxation in this country, which has always been a feature of British life. If one produces something that is neither fair nor rational, one will not enjoy public respect; and that is the most devastating disservice to the cause of good taxation that any Government could possibly deliver.

Mr. Geraint Davies: It is a great pleasure to have the hon. Member for Grantham and Stamford (Mr. Davies), who bears my name, back on the Conservative Treasury team. He is very amusing when he makes his emotional outbursts, which bear no relation to reality. Strategically—to put this in context—the Government are trying to have a Budget that gets people back to work and supports families, while protecting the least poor with minimum income guarantees. The changes that are embraced in the Budget and will be entailed in what happens in the wider economy, should be seen in that context—enabling families to work, stopping child poverty, making work pay, and so on.

There has been a lot of ranting from the Conservative Benches about the so-called pathetically poor and the cruel nature of the new Labour Government, but we should view that in context. The crocodile tears that Conservative Members have been shedding come from those who made up a Government who introduced such things as the poll tax, which obviously hit the poor the worst, and VAT on fuel, which especially hit the pensioners that they claim to be concerned about. That Government introduced charges for eye tests and cut pensions in real terms. We had the pensions mis-selling crisis.

Also under that Government, about a million pensioners underclaimed their rights, and the Conservatives did nothing to encourage and enable people to claim their rights. There was a complicated system, which many people who did not have a very good education—because of the legacy of the lot opposite—did not understand. Essentially, we ended up with a lot of poor people who did not claim their benefits. These are the sort of things that the Government are doing something about.

Mr. Bercow: The hon. Gentleman is a good colleague of the Solicitor–General and I believe that he sat on the relevant Finance Bill Committee with him. Given the hon. Gentleman's reputation for intellectual curiosity, has he at no stage since the elevation of his hon. and learned Friend the Member for Dudley, North (Mr. Cranston) to the post of Solicitor-General asked him whether he has changed his mind about the Government's policy on the tax treatment of dividends for pensioners? Has he asked the hon. and learned Gentleman whether he is now a supporter of the Government's position or whether, continuing to believe in the position that he held as a Back Bencher, he has used his position within government to argue for a change of policy? Is the hon. Gentleman saying that the thought of consulting his hon. and learned Friend has not crossed his mind?

Mr. Davies: I thank the hon. Gentleman for that long-winded question. He would know, if he had bothered to be a member of the Committee to which he referred,

[Mr. Davies]

that my hon. and learned Friend the Solicitor-General asked whether the Government would care to review their position. The then Paymaster General said, "We will have another look at it because we are very fair on the Government Benches." The Government took that look and came to the conclusion that they were pursuing the right policy.

It is necessary to separate social policy from economic policy. Without rehearsing all the arguments, Opposition Members should know that the changes were introduced to encourage more inward investment in companies and to get rid of tax distortions and excess pay-outs of dividends. The fact that there is a by-product for some non-taxpayers is known, but against that we have a strategy for eliminating poverty that is separate. It is horses for courses, and that is a rational approach.

When we consider the number of people who are concerned by the changes—if he had been up to speed I would have expected the hon. Member for Grantham and Stamford to refer to the 300,000 pensioners—we find that 220,000 pensioners are affected by less than £100. About 270,000 are affected by less than £200. After all, we are giving £100 to older people for their winter fuel benefit. We are talking about gainers and losers, and in the wider context there is the reduction of value added tax on fuel, the minimum income guarantee and the extra £21 billion that is going into the health service. We must consider the real impact that the Government are having on pensioners. It is no use considering a small change in a microscopic way. We must have a wider vision of what is happening, and within that broader context is the case that the Labour party is the pensioners' friend.

Sir Robert Smith: If someone is £200 worse off and he is given £100 to pay his heating bills, what is he meant to pay the heating bill with when he is £100 worse off net?

Mr. Davies: The first £100 was only the winter fuel benefit. When we add up the other factors the average is £240. The hon. Gentleman should look up some of the facts rather than coming out with glib remarks that make no sense.

The changes that we made to advance corporation tax were to repay tax. Pensioners who invested in equities were receiving cash back on tax that they did not pay. A differential approach was taken to those pensioners who perhaps invested in other sources of savings. Clearly there was a distortion, which has been removed. If we want to give more money to poorer pensioners, it can be done through other strategies such as the minimum income guarantee and winter fuel benefit. Indeed, that is precisely what we are doing. We have introduced a range of measures including health service changes—

Mr. Desmond Swayne (New Forest, West): Will the hon. Gentleman give way?

Mr. Davies: No, I will not take any more interventions.

We have got rid of eye-test charges for pensioners and there have been VAT changes. A host of measures in favour of pensions have been introduced by the Government. It is fallacious and cynical for pompous speeches to be made by Conservative Members about the particular change that we are considering.

Mr. Townend: I support new clause 3. It would ensure that people who earn less than £4,335—which, I should have thought, even Labour Members would accept is not a very high figure—and more importantly, people between the ages of 65 and 74 who earn no more than £5,720, do not pay income tax. I am particularly interested in that group because in my constituency, East Yorkshire, we have a much higher percentage of old age pensioners than in the country at large.

10.45 pm

The new clause tries to set right the perverse situation that occurred as a result of the Government's decision in the July 1997 Budget to abolish dividend tax credits for non-taxpayers. That measure came into effect this year and means that non-taxpayers who have already paid the tax on their dividend income cannot reclaim it, as they used to be able to do. That affects 300,000 pensioners, quite a number of whom are in my constituency.

It is all very well for the hon. Member for Croydon, Central (Mr. Davies) to say that £75 or £100 is not much money, but for pensioners living on just over £100 a week, an extra £2 a week in their pocket is a lot of money. At the last election Labour claimed to be the party of the old age pensioners, and the hon. Member for Croydon, Central said that today. The Government should think carefully about accepting the new clause, as it would be in their interest.

It was fascinating to me that an officer of the Pensioners Alliance came to my last surgery in Bridlington. That person is a lifelong socialist. I confess that, at the last election, I did not get anything like the support from older people that I had got in previous elections. That was for two reasons. First, it was put about that the Conservative party would do away with the old age pension. Secondly, the old age pensioners were led to believe that the Labour party would restore the connection between the average wage and the pension.

Mr. Hilton Dawson (Lancaster and Wyre): Will the hon. Gentleman give way?

Mr. Townend: Naturally, I was interested in why that lady had come to see me. I could not help asking whether she was happy with her Government. She said, "No, that is why I have come to see you, Mr. Townend. I am very interested in learning what Mr. Hague's new policies are likely to be for pensioners, because we feel let down by the Government." She pointed out that people who had saved modest amounts could no longer reclaim the tax on the dividends.

When pensioners heard the Chancellor's speech, they were led to believe that the connection between earnings and pensions had been restored. Then they found that anyone who had an occupational pension got nothing at all. They learned that there was a new 10p income tax rate, but it did not apply to pensioners. They were told that they would keep their marriage allowance, but that was not for new pensioners—only for existing pensioners. The lady at my surgery said, "We are very disillusioned, and I will tell you one thing, Mr. Townend. We will not be voting in the European elections."

The Labour party should take note of that. The old people are feeling let down. If Labour Members say that an old age pensioner on £5,720 a year should be paying tax, they have got it wrong.

Mr. Edward Davey: What the hon. Member for East Yorkshire (Mr. Townend) did not tell us is what he told his constituent about Mr. Hague's pension policy. I learned from my hon. Friend the Member for Northavon (Mr. Webb) that when the hon. Member for Grantham and Stamford (Mr. Davies) was in charge of pension policy for the Conservative party, his pension policy was not to have a pension policy. I hope that a Conservative Member will intervene to tell us what William Hague's pension policy is.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Gentleman should realise that when he refers to another right hon. or hon. Member, he should do so by his constituency.

Mr. Davey: I am grateful to you for putting me right, Mr. Deputy Speaker.

I agree with the substance of what the hon. Member for Grantham and Stamford said. He made the point that the Government's abolition of the dividends tax credit has hit a lot of elderly people—300,000 of them. Despite a long review, the Government have failed to see the error of their ways. It is no good the hon. Member for Croydon, Central (Mr. Davies) saying that we should divide social policy from economic policy. Of course we should not; they are totally intertwined. The Government recognise that linkage in other policies. I have always thought that the welfare-to-work programme is about ensuring that social justice helps economic efficiency, so he cannot have it both ways.

The Liberal Democrats have tabled new clause 18 to put that idea before the House and the Government. We believe that giving tax exemption certificates to pensioners who are below the income tax threshold would simplify tax administration, bringing to the Inland Revenue and also to pensioners a lot of savings—not only financial, but in terms of anxiety and worry. Hundreds of thousands of pensioners who are below the income tax threshold receive large self-assessment tax returns every year, filling them with anxiety about whether they are due to pay tax, how to fill in the form and who they need to see make sure that they do so correctly. They want to pay any tax that they owe, but are not sure how to go about that.

New clause 18 is based on a simple idea developed by the low incomes tax reform group of the Chartered Institute of Taxation. We have borrowed it and we hope that the Government will borrow it from us in turn. It would ensure that all those unnecessary self-assessment tax returns do not have to be sent out. The Government could take that further and ensure that taxpayers who are sent self-assessment tax returns, even though they owe only a small amount, could benefit from simplification of the tax system.

The Chartered Institute of Taxation has produced many examples of ordinary taxpayers—pensioners—who are extremely concerned when they receive such forms. A pensioner from Tilbury was quoted in one of the institute's recent reports, which was published in June. The pensioner wrote:

"I am one of those pensioners on low income who is being hectored by the Inland Revenue. I've tried explaining about my income not being enough to tax. This is the third year running"

that the pensioner has had to do that

"even though my circumstances stay the same."

A pensioner from Stroud wrote:

"My husband is disabled and a non-taxpayer. We now realise that because we have a joint Pensioners Bond we are sent a self-assessment form automatically every year.

We could easily do without this form filling as we are on low income having paid taxes all our lives."

I shall give a final quote, although I could have given hundreds. A pensioner from Ilfracombe wrote:

"My experience from the Tax point of view is basic. I have not paid any for over 20 years, but still receive annual tax forms. Now I must fill in the new Tax Assessment Forms (for the 2nd year running)."

That is bureaucracy gone mad; it is causing huge anxiety among the pensioner population and it flies in the face of the Government's declared policy. When the Chancellor announced the comprehensive spending review to the House, he said:

"We shall also set a tax guarantee that no pensioner will pay income tax unless their income rises above a specified level."—[*Official Report*, 14 July 1998; Vol. 316, c. 193.]

That is a policy that hon. Members on both sides of the House can subscribe to—it is very sensible—but it is yet to be enacted. New clause 18 would give the Government the chance to do so. It is a practical way forward.

The proposal for tax exemption certificates is simple. The Inland Revenue could work out from the records which pensioners had not paid tax for the previous two years and write to them, making the offer that they would gain a certificate if they filled in a simple application form. Alternatively, the individual non-taxpaying pensioner could apply to the Inland Revenue for an application form for a tax exemption certificate, for which I suggest the following simple wording: "I do not expect my income to exceed the tax exemption certificate threshold of £6,000 for the current year. I do not anticipate that my income in the next three years will exceed the tax exemption certificate threshold. If my income should exceed the tax exemption certificate threshold in the next three years, I will notify the Inland Revenue by 5 October following the end of the tax year."

Everyone would be able to understand such a simple declaration, and it would save us the cost of sending millions of tax returns to non-taxpayers, as well as saving them anxiety. Certificates could be re-registered every four years, and random checks used to ensure that the system was not abused, as happens in other parts of the tax system. Our proposal is in line with the Conservative new clause, but offers a practical idea to simplify administration of the tax system.

Our amendment is not just about non-taxpayers or self-assessment tax returns, but about the relationship of the Inland Revenue and the public sector with pensioners and others who may have difficulty filling out forms, such as those with learning disabilities. The IR ought to be far more user friendly. The Government could use new clause 18 to make a start on that.

Mr. Luff: The Financial Secretary to the Treasury is honourable and decent. If she listens to the purpose of new clauses 3 and amendment No. 2—and of the new clause proposed by the Liberal Democrats—she will realise that her task of asking the House to reject them is unpleasant and unsavoury. The purpose of new clause 3 is simply to ensure that those who earn less than the income tax threshold do not have to pay income tax. Who can argue with that? The Financial Secretary may say that the clause is technically flawed, or that it needs to be rethought. However, the principle that underlies it must be one with which the whole House agrees.

Amendment No. 2 would ensure that savings income is liable to taxation at the new 10p lower rate, not the 20p rate. Both measures would have a disproportionate advantage for those on low incomes, particularly for pensioners. I hope that the Minister will think carefully about what she is to say later.

In the post today, I received a document that I did not recognise. As far as I can tell, it must be a Government briefing document for Labour Members, as it is headed "DSS Key Messages on Welfare Reform June 1999".

Mr. Leslie: Read it; it is very good.

Mr. Luff: Reading it is exactly what I intend to do. It states:

"The Government's central aim is to make the welfare state fit for the next century."

Some new Labour waffle follows, then the document says that the Government aim to

"promote work for those who can and security for those who cannot."

On pensioners, it adds:

"Most help for those with most need. Giving more help to the severely disabled, to poor pensioners and to children."

How will the measures on which the Government are insisting tonight help poor pensioners?

The document goes on—particularly amusingly—to say:

"Providing for the future with new stakeholder pensions and encouragement that those who can save should do so."

What encouragement do the measures on which the Government are insisting give to those who want to save?

Later, the document lists all the marvellous things that the Government claim to have done to help pensioners—the minimum income guarantee; the winter fuel allowance referred to by the hon. Member for Croydon, Central (Mr. Davies); free eyesight tests; and the reduction in VAT on fuel. There is no mention of much more—the abolition of mortgage interest relief at source and the implications for home income plans; the abolition of married couples allowance for new pensioner families; and the higher rates of fuel duty that are crippling poor pensioners in many rural areas. The Financial Secretary will have to defend the position of making poorer pensioners pay income tax or pay it at higher rates than is acceptable.

I invite the Financial Secretary to think carefully about the consequences of rejecting amendment No. 2 on the taxation of savings. The estimates of independent analysts suggest that accepting this amendment would cost just £85 million, and £55 million of that advantage would go to people of pensionable age. I cannot believe that the new Labour Government, who publish such documents to send to their Back Benchers, intend to reject these measures. I am sure that the Financial Secretary, whatever she says, will, in her heart, know that the Opposition are right.

11 pm

Mr. St. Aubyn: The Government's mantra that we hear so often—that they govern for the many, not the few—will have a hollow ring tonight. The 300,000 people we are discussing are the few. They are vulnerable, and many are old. They are also the few because they believe in being self-reliant. It was significant that the hon. Member for Croydon, Central (Mr. Davies) emphasised the benefits that this group of people may be entitled to as a result of the Government's measures. Some of them may welcome those benefits, but others take pride in the fact that they have managed to provide for themselves up till now, and that is how they intend to carry on. As a result of the Government's proposal, those people will lose a significant amount of income.

In the debates on this issue this year and last year, Labour Members argued that this group of people could change their investment strategy, and that, if they switched to bonds, they would not suffer income tax. The difficulty with that approach is that inflation, even at the present low rates, eats away at such savings. In the long term, the only way to protect the value of an income through a savings plan is by investing in shares. We learned today that the average income in this country has now reached £20,000 a year. I read that, 25 years ago, it was only £2,500. People who, at the start of their retirement, took the Government's advice and put all their retirement savings into bonds may have had their standard of living severely curtailed compared with what they might have achieved if they had kept their savings in shares.

What is the point of a Government tax strategy that encourages the old, the vulnerable and the weak to put their small amount in the least sensible form of savings? Surely that goes against the whole thrust of modern thinking. We should encourage people to care and provide for themselves. We should foster the self-help culture. The Government are penalising the people who have provided for themselves through thick and thin, and who have wisely invested in shares to protect some of the value of their savings.

The other argument that was advanced in Committee this year and last year was that those people could put their money into ISAs. If they were to do that, they would get a double whammy. Not only would there be an element of taxation on their share income in ISAs but, because the amounts involved are very small, the management charges for running those funds would eat into the net income or into the capital. One way or another, they would suffer greatly compared with the situation they were in before the Government came to power.

Perhaps the Minister could tell us in passing what proportion of ISAs has been invested in stocks and shares and what proportion has been invested in cash ISAs. We could judge from that how successful the Government's new initiative has been.

We have already heard the ghost of the hon. and learned Member for Dudley, North (Mr. Cranston) hovering over the debate. I remember the surge of

optimism among Conservative Members during the Committee stage of last year's Bill when he addressed the Committee with enthusiasm, urging the then Paymaster General to make concessions. We thought that the Government were at last listening to the needs of the few as well as the mantras of the many. Unfortunately, however, that particular Paymaster General has disappeared from the scene. He has not been in the Chamber for quite a while. I fear that he has been sent to Coventry, if not to Coventry, North-West.

Mr. Bercow: My hon. Friend presents an irresistible temptation. Does he agree that, at the end of the speech of the hon. Member for Croydon, Central (Mr. Davies), it was no clearer than it had been at the beginning whether he thought that the Solicitor-General had since experienced an apostolic conversion and come round to supporting the Government's view, or whether—secretly, and smothered in guilt—he still believed what he had said a year ago from the Back Benches?

Mr. St. Aubyn: Unlike my hon. Friend and me, the Solicitor-General is a lawyer, and none of us really knows what he believes. I wish that he were here to tell us. In his absence, however, I think that the Financial Secretary owes us an explanation. Why have the Government stalled at the last fence? Why have they failed to treat this section of our community fairly? I feel that they should pause, and consider the negative signal that the measure will send to other savers.

Dr. Vincent Cable (Twickenham): I want to say a little about amendment No. 2, which Liberal Democrats tabled along with Conservatives. It relates specifically to discrimination between different kinds of income earned and unearned, and the 20p rate. Let me summarise what I consider to be the central reasons why that is an adverse development.

The first reason has, in part, already been summarised by the hon. Member for Grantham and Stamford (Mr. Davies). It introduces a great deal of complexity into the system. We are talking not merely about the distinction between earned and unearned income, but about the distinction between different types of savings income. Different rates now apply to dividend and fixed-interest income; different rates apply to fixed-interest deposits, as opposed to annuities, which stem from another kind of interest income. There is no economic, equity-based or administrative reason for that; it just happened to emerge from a very complex, badly-thought-out piece of legislation. That is why we are pressing our amendment, which relates specifically to the certification process that will make things much easier for low-income pensioners.

Another point has not been mentioned, although it is important. The Government have unintentionally reintroduced the old tax principle that unearned income is in some sense less worth while than earned income. It used to be a principle of taxation that those with rentier income were somehow less worthy than those who were working. That principle had been scrapped, but now it is returning in disguise. Although it may have been reintroduced unintentionally, it is very unhealthy, and not compatible with the ideas that I thought that new Labour stood for.

Mr. Quentin Davies: The hon. Gentleman is making a strong point. A case might be made for penalising so-called unearned income, as opposed to earned income, and a case might be made for doing the opposite. At present, however, the Government are penalising unearned income at the bottom of the tax scale, and propose later, at the basic rate, to tax unearned income at a lower rate—dividends at only 10 per cent., and other savings income at only 20 per cent.—while taxing earned income at 23 per cent. That, surely, is complete madness.

Dr. Cable: The hon. Gentleman is right. The central issue of the debate is how the proposals affect people at the bottom end. I sense that the Government still have not appreciated the extent to which people who are otherwise very poor still depend on unearned income. The situation is quite common. We all have constituents in this position—for example, people who have not made the contributions that would entitle them to a state pension, and who therefore save. Because they have substantial savings, they will not qualify for income support, and their future retirement therefore depends almost entirely on savings income. Young pensioners in particular, and those whose allowances are particularly small—those who have retired prematurely, or have been made redundant—are being hit at very low levels of income by higher rates of tax. Therefore, the system does not merely discriminate against unearned income. As the hon. Member for Grantham and Stamford says, it particularly hurts poor savers.

In that context, I say a word about dividend tax credits and the dividend problem. It has been referred to, but it is helpful to go over a little of the chronology. The hon. and learned Member for Dudley, North (Mr. Cranston) has been singled out. I was present in the Committee when he spoke. He has been perhaps unfairly singled out because he was speaking up for the colleagues who were around him. He was representing a genuine disquiet among Labour Members about what was happening. Indeed, that continued for many months afterwards. There was a widely circulated early-day motion, which was, I think, roughly equally supported in the three parties.

I subsequently went to see the former Paymaster General with the hon. and learned Member for Dudley, North and the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb). He was very accommodating and accepted fully that an unfair and unfortunate major anomaly had been created. He undertook to mobilise the Treasury's resources to try to do something about it. What was discreditable was not the fact that he was not able to something about it—there may have been genuine administrative difficulties in sorting out the problem—but that it took the Treasury six months to make up its mind to tell us. Its reply came through in a written answer to me; it was sneaked through six months later. Not merely the policy but the way in which the Treasury handled the matter subsequently was discreditable.

In addition to all the other disadvantages of applying extra rates of tax to savings incomes, the provision is a further measure disadvantaging and discouraging personal savings. As the right hon. and learned Member for Rushcliffe (Mr. Clarke) has been sitting patiently during the debate, it is worth mentioning that he introduced a particularly popular and valuable form of personal savings called pensioner bonds. I was intrigued, as one of my constituents asked, how the returns on pensioner bonds had developed since he introduced them. It was clear not merely that the nominal return on the bonds had gradually

[Dr. Cable]

declined over the past few years—I would expect that because inflation is lower—but that the real return on the bonds had been allowed to fall by about 2 per cent.

Therefore, a popular form of savings is being devalued and we have increased taxation of savings. In the short run, that may not matter—the United States has much economic growth and deteriorating personal savings—but it cannot go on. A society cannot grow rapidly and in a sustainable way without healthy personal savings. In addition to all the unfairness that the tax change introduces, it undermines the fundamentals of our economy.

Mr. Swayne: I support new clause 3. I would have kept my peace but for being provoked to speak by the hon. Member for Croydon, Central (Mr. Davies). Otherwise, I would have relied on the eloquence of Conservative Members who have put the case solidly.

The hon. Member for Croydon, Central refused to take my intervention, which was uncharacteristic because he is normally generous in taking interventions. However, I could see his difficulty, with the Government Whip shaking his head and telling him to refuse. The penalty is that he must now endure listening to me.

The hon. Gentleman expounded a most peculiar argument. He seemed to suggest that it was all right to plunder the savings of the elderly, so long as Government policy was viewed in the round. Specifically, he cited the fact that those people would benefit from the minimum pension guarantee. It might have escaped his notice that the guarantee is not yet payable, yet elderly pensioners in my constituency have already lost the right to reclaim tax on dividends. As a consequence, while living on low incomes, they are paying tax where they were not paying tax before. That is what the new clause is designed to remedy.

Labour Members might believe that people who have savings in the form of shares have developed a form of financial sophistication that makes it open season for such a tax increase. However, the lie to such sophistication is given by the number of constituents who are still writing to me to say that they have only just realised what effect the Government's proposals will have on them. That does not speak of great financial sophistication.

11.15 pm

Labour Members might also think that, generally, people who have invested in shares are at the wealthier end of the income ladder. However, the most distressing letters that I have received on the issue are from those who admit that being able to reclaim tax paid on dividends makes a difference, not between wealth and poverty for themselves but between being able to afford small luxuries—such as Christmas presents for their grandchildren, or visits to their relatives—*[Interruption.]*

Mr. Gray: The hon. Member for Shipley (Mr. Leslie) laughed.

Mr. Swayne: Labour Members may well laugh, but they might also recall that those are the very people for whom the Labour party—before it became new Labour, in pursuit of middle income and of those who are able, because of their income, to make donations to the Labour party—used to care.

Mr. Bercow: The whole House will have noticed that the hon. Member for Shipley (Mr. Leslie) does not believe that pensioners should be able to buy Christmas presents for anyone—that is the scale of the scandal of his position.

Nevertheless, does my hon. Friend agree that, when the hon. Member for Twickenham (Dr. Cable) said that the Government's handling of the matter was dishonourable, the one thing that he omitted to mention was that, today, the single most dishonourable aspect of the Government's handling of the matter is that the only currently serving Treasury Minister who served in the Finance Bill Committee when the matter was discussed is not in the Chamber to reply to the debate? I refer, of course, to the Paymaster General. Where is she?

Mr. Swayne: I entirely agree with my hon. Friend; he makes an important point. I am certain, however, that the dignity of age will change the views, and indeed the attitude, of the hon. Member for Shipley.

Quite unacceptably, the hon. Member for Croydon, Central contended that it is perfectly acceptable to plunder the savings, and therefore the self-reliance, of elderly people, and to replace them with means-tested benefit. What signal does that send to generations yet to retire? What message does it send in respect of self-reliance?

The hon. Gentleman went on to speak of the need to eradicate child poverty. Does he not realise that the tax that we are debating would be paid by children? Although I grant him that the tax is unlikely to be paid by children living in poverty—the nature of the arrangements that we are discussing are such that they are unlikely to be made for children by parents who are below the poverty line—I ask him to consider the fact that many parents have arranged for shares to generate income for their children precisely because those children will not be able to provide for themselves, as they are handicapped and their parents are worried about their future. They, too, will pay the tax, and their income will be affected by it.

I hope that the hon. Gentleman will reconsider his earlier remarks and reflect both on their wisdom and the message on self-reliance that they have sent to the British people.

Mrs. Roche: The hon. Member for New Forest, West (Mr. Swayne) said that he was not going to speak but was provoked into doing so. I am in the same position: I was tempted not to speak until I heard his speech. I have never heard such arrant nonsense, although he is not alone in this debate. One would have thought that the Conservatives had not presided over record levels of child poverty when they were in government and that they had not introduced VAT on fuel—perhaps the most regressive measure to hit our pensioners; yet they have the temerity to pose as the party of the pensioner. That is nonsense.

We have debated the issue time and again. That makes it all the more surprising that the new clause reveals a basic misunderstanding about the tax credit system and is fundamentally flawed. If the Conservatives really cared about the new clause, they would do their homework and get it right. Once again they have not done their homework, and not only can they not get the politics right but they cannot get the detail right either.

The withdrawal of payable tax credits does not mean that non-taxpayers below the personal allowance threshold will suffer tax on their income. The tax credit has never represented tax deducted on behalf of the individual, and the payment of tax credits on dividends was never a repayment of tax deducted on their behalf. On the contrary, it represented a payment to non-taxpayers of tax that they had not borne in the first place—tax paid by the company. Effectively it was an income top-up. The withdrawal of the credit leaves the non-taxpaying shareholders in the position of having paid no tax on the dividends.

Mr. Quentin Davies: Will the hon. Lady acknowledge the reality, which is that someone who had £5,000 entirely from dividends to live on will now have £4,000? That is a catastrophic fall in income for someone who is not well off—very likely a pensioner.

Mrs. Roche: The hon. Gentleman should listen to what I am going to say about the total package. If he does, he will find out.

Conservative Members have used the new clause as another opportunity to rehearse the well-worn arguments on the issue. Why did we make the change? We wanted to remove a distortion in the corporation tax system that encouraged companies to distribute their profits as dividends rather than reinvesting them in their business. Reinvestment is essential for growth in the economy, which we want to encourage. We know what the Conservatives did to our economy and we are determined not to see it repeated. *[Interruption.]* Conservative Members may shout. They do not like hearing the facts, but they are going to hear them this evening.

Payable tax credits were abolished immediately for most companies and pension funds, but we recognised that there would be a period of change. By investing in the new individual savings accounts, individuals will be able to benefit for a five-year period from 1999 from the payment of a 10 per cent. tax credit on dividends from UK equities. I urge the House to reject the new clause.

I understand the concerns raised by the hon. Member for Kingston and Surbiton (Mr. Davey) about the impact of the tax system on older taxpayers, but I am not convinced that his solution is the best way to deal with the problems. The aim of the proposed certificate for older taxpayers is that those on low incomes should be given assurances that they are outside the tax system, in particular to enable them to receive income without the deduction of tax at source. The present system achieves what the certificate is designed to do. Around two thirds of older taxpayers are outside the tax system. We are proud of that record. The package of Budget measures has taken a further 200,000 older people out of the system. Many of them have no reason to contact the Inland Revenue at all unless their circumstances change and their income rises.

Mr. St. Aubyn: Is the Financial Secretary proposing that people with share savings should put them through an ISA? How much has been put into share ISAs compared to the amount put into cash ISAs since the scheme was launched?

Mrs. Roche: I would certainly not want to give advice. *[Interruption.]* The hon. Gentleman must learn to have some patience. I gave way to him, and I will be pleased to reply if he will wait. It is no surprise that, in the first period, the most money has gone into cash ISAs, considering that they were very much designed to appeal to those with little or no savings. I am delighted to tell the House that ISAs are a tremendous success and are proving very popular. I congratulate my hon. Friend the Economic Secretary to the Treasury on all the work that she has done.

Mr. Davies: Will the Financial Secretary give way?

Mrs. Roche: No—the hon. Gentleman had his chance. If he will forgive me, I have heard him at volume tonight. I gave him one chance.

Obviously, the hon. Member for Guildford (Mr. St. Aubyn) is no longer interested in ISAs, as he is busy talking. However, for many poorer people, ISAs have been a great boon and we are proud of them.

The £1 billion Budget package for older people included a new minimum tax guarantee for pensioners; and the age-related personal allowances were increased by up to £200, more than required by statutory indexation. *[Interruption.]* I am not surprised that Conservative Members do not recognise the importance of that minimum guarantee. It is certainly important for the majority of pensioners whom the Government represent.

The proposal would have the effect of increasing the personal allowance for many lower income pensioners to £6,000 a year. As I have explained, the Budget package already includes generous increases in the age-related personal allowances. *[Interruption.]* I do wish that Conservative Members would cease chattering. The hon. Member for Kingston and Surbiton is entitled to a reasonable reply and that is what he will get.

The idea of the certificate was put forward by the low incomes tax reform group. I can tell the hon. Member for Kingston and Surbiton that the Inland Revenue is holding discussions with the group about its ideas, and we are always willing to consider how the scheme might be improved.

Savings income, such as bank and building society interest, is already taxed favourably. It is taxed at the lower rate of 20 per cent., rather than at the basic rate of 23 per cent., until it is of a sufficient size for the higher rate of tax to apply. As part of the reform of corporation tax, dividends are taxed at 10 per cent. up to the basic rate limit.

Mr. Davies: Why?

Mrs. Roche: I will tell the hon. Gentleman why—because one of the basic tenets of the Chancellor's Budget was to encourage work and enterprise and to help families. That is what we have done.

Mr. Davies: Will the Financial Secretary give way?

Mrs. Roche: No, the hon. Gentleman has had his chance. I noticed that he took no interventions. I have taken one from him and responded to a sedentary comment.

The Conservatives' amendment, which was not costed, would cost the Exchequer an extra £1 billion a year. Once again, we see that the Conservative party is prepared to

[Mrs. Roche]

talk about public services without saying how it will spend public money. The Conservative party poses as the pensioners' friend, but it is no such thing. It is the party that in the past has undermined pensioners. I urge the House to reject the new clause.

Question put, That the clause be read a Second time:—

The House divided: Ayes 149, Noes 316.

Division No. 223] **[11.30 pm**

AYES

Allan, Richard
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brazier, Julian
Breéd, Colin
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Cable, Dr Vincent
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton–Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cotter, Brian
Cran, James
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Flight, Howard
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gray, James
Green, Damian
Grieve, Dominic
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Harvey, Nick
Heathcoat–Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Hughes, Simon *(Southwark N)*
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Keetch, Paul
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Mates, Michael
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
Michie, Mrs Ray *(Argyll & Bute)*
Morgan, Alasdair *(Galloway)*
Moss, Malcolm
Nicholls, Patrick
Ottaway, Richard
Page, Richard
Paice, James
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid–Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swinney, John
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Tredinnick, David
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Wardle, Charles
Waterson, Nigel
Webb, Steve
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Wilkinson, John
Willetts, David
Willis, Phil
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. Oliver Heald and Mrs. Jacqui Lait.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Banks, Tony
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blears, Ms Hazel
Blizzard, Bob
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Butler, Mrs Christine
Byers, Rt Hon Stephen
Caborn, Rt Hon Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis–Thomas, Mrs Claire
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Dobson, Rt Hon Frank
Doran, Frank
Dowd, Jim
Drew, David
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael J *(Worcester)*
Galloway, George
Gapes, Mike
Gerrard, Neil
Gibson, Dr Ian
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John

Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Hesford, Stephen
Hewitt, Ms Patricia
Hinchliffe, David
Hodge, Ms Margaret
Home Robertson, John
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Livingstone, Ken
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Rt Hon Alan
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
O'Brien, Bill *(Normanton)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Vaz, Keith
Vis, Dr Rudi
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

Tellers for the Noes:
Mr. Keith Hill and
Mr. David Jamieson.

Question accordingly negatived.

New Clause 10

CAPITAL ALLOWANCES: ROAD FUEL GAS

'.—After section 36 of the Capital Allowances Act 1990 (definition of "motor car" etc.) insert—

"CHAPTER IIIA

ROAD FUEL GAS

36A.—Where a person, while carrying on a trade, incurs expenditure—

(a) on the provision of machinery or plant intended to act as a filling point for the supply of road fuel gas, or

(b) on the installation of such machinery or plant,

and where such expenditure is wholly and exclusively for the purposes of the trade, a deduction equal to the whole of the expenditure shall be allowed in taxing the trade for the chargeable period.

36B.—Where a person, while carrying on a trade, incurs expenditure on the provision of machinery or plant for the conversion of the engine of a motor car so that the motor car is capable of being propelled, wholly or partly, by road fuel gas, and where such expenditure is wholly and exclusively for the purposes of the trade, a deduction equal to the whole of the expenditure shall be allowed in taxing the trade for the chargeable period.".'.—*[Mr. Jack.]*

Brought up, and read the First time.

Mr. Jack: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Mr. Michael Lord): With this, it will be convenient to discuss the following amendments: No. 27, in clause 8, page 3, line 26, after 'centimetres,', insert

'a vehicle falling within subparagraph (1) of paragraph 1A, or a vehicle falling within subparagraph (1) of paragraph 1B,'.

[Mr. Michael Lord]

No. 28, in page 3, line 39, at end insert—

'(6) At the end of paragraph 1 of Schedule 1 to the Vehicle Excise and Registration Act 1994 there shall be inserted—

"1A.—(1) Any vehicle which has during the previous 12 months been certified as achieving an emissions figure of 140g CO2/km shall have a general rate of £100.

(2) The Secretary of State shall by regulations establish the methodology by which the emissions figure referred to in sub-paragraph (1) is to be calculated, and any such regulations shall be subject to annulment by either House of Parliament.

(3) Subparagraph (1) shall have effect in relation to any licence taken out for a period beginning on or after 1st January 2000.".'.

No. 29, in page 3, line 39, at end insert—

'(7) At the end of paragraph 1 of Schedule 1 to the Vehicle Excise and Registration Act 1994 there shall be inserted—

"1B.—(1) Any vehicle which has been registered during the previous 12 months and which has been certified as using Liquefied Petroleum Gas as a fuel shall have a general rate of £100.

(2) The Secretary of State shall by regulations establish the methodology by which the process of certification referred to in sub-paragraph (1) is to be carried out, and any such regulations shall be subject to annulment by either House of Parliament.

(3) Subparagraph (1) shall have effect in relation to any licence taken out for a period beginning on or after 1st January 2000.".'.

Mr. Jack: This debate gives us an opportunity to review the logic of the Government's proposals on vehicle excise duty and carefully to examine their credentials on the fiscal encouragement that they may be contemplating—*[Interruption.]*

Mr. Deputy Speaker: Order. I am sorry to interrupt the right hon. Gentleman, but there is far too much background noise in the House. We are conducting a debate.

Mr. Jack: We have an opportunity also to consider the fiscal encouragement that the Government are giving to the use of fuels for motor vehicles, particularly liquefied petroleum gas, which have several environmental attributes to which I shall refer in a moment.

I thank the Society of Motor Manufacturers and Traders and the Calor Group plc for their assistance in preparing material for the new clause and the amendments. I tabled them because the Government received support for their proposal in the Budget and the subsequent Finance Bill to introduce a new vehicle excise duty regime. They reduced the VED for cars of 1100 cc or less by £50, but increased the VED on all remaining vehicles by a counter-balancing amount so that the measure would effectively be tax-neutral.

Mr. Fabricant: I am sure that my hon. Friend was not fooled, as so many were, into thinking that the Government were being generous in their dispensation. Is he aware that even as small a car as the Fiat Punto does not qualify for the 1100 cc lower vehicle excise duty dispensation?

Mr. Jack: I suppose that I should declare an interest: I have one of those cars, so I am entirely aware of my hon. Friend's point, with which I shall deal.

The 1100 cc cut-off was chosen quite arbitrarily. Magically, one supposedly reaches a tax-neutral position by taking £50 from the VED of the 2.9 million vehicles affected, and adding £50 to the VED for other cars. It is intriguing, therefore, that in year one of the change announced in the Red Book, the Government gained £14 million.

I tabled amendments on the VED, because in the press release issued at the time of the Budget, the Government said:

"New cars registered from Autumn 2000 will be subject to a VED system based principally upon their rate of carbon dioxide emission, to encourage the take-up of more fuel-efficient vehicles."

I found it odd that they were jumping the gun on the outcome of their consultation document "Consultation on reform of Vehicle Excise Duty to ensure a cleaner environment", which was issued in November, although I do not disagree with such an objective.

In paragraph 2.3 of that document, the Government say:

"The UK also has a domestic aim of cutting emissions of carbon dioxide, the main greenhouse gas, by 20 per cent. by 2010 relative to 1990."

So, a clear environmental objective was stated right at the start of the consultation exercise.

In paragraph 2.4, the Government go on to point out that

"Recently, a voluntary agreement has, however, been concluded between the European Commission and car manufacturers to reduce average emissions from new cars to 140 grammes of CO_2 per kilometre by the 2008, a cut of about 25 per cent. on the current average".

From the two statements, one would have thought that, at that juncture, the Government would have wanted to do all that they possibly could to encourage the take-up of fuels that will reduce carbon dioxide, and thereby encourage those who are to meet the remarkable voluntary agreement by 2008. As I shall demonstrate, my amendments give the Government an opportunity to encourage such developments over the next 12 months. They are entirely consistent with the Government's objectives in their consultation exercise.

Amendment No. 29, which applies the introduction of the proposals to liquified petroleum gas, prays in aid the comment at the end of paragraph 2.5 of the consultation document. It draws our attention to the problems of fine particulates PM 10s, which have a demonstrated link with respiratory and cardiovascular disease, and to oxides of nitrogen, which can damage the lungs and play a part in summer smog episodes. Those emissions currently result from the use of petrol engines, which, as I shall demonstrate, are well tackled by the use of liquified petroleum gas. The amount of encouragement through the VED arrangements for the uptake of vehicles powered by such fuels is zero. It is the lack of consistency that persuaded me in the first place to table the new clause and the amendments.

It is important to consider the detail because we then find that, of the 10 cars with the lowest carbon dioxide emissions, only five have an engine size of less than 1100 cc; the rest are diesel-engine vehicles. Secondly, the best performing vehicles have carbon dioxide emissions of between 129 and 139 g per kilometre. Current technology is already incorporated in some cars; they will meet the 2008 figure. Under the present VED arrangements, there is nothing fiscally to encourage the uptake of such vehicles.

Cars with engine sizes of less than 1100 cc have carbon dioxide levels ranging from 129 g to a massive 172 g per kilometre. It is odd that the arbitrary use of 1100 cc means that the Government are encouraging vehicles with carbon dioxide emissions that are not at the top end of environmental friendliness; they are at the bottom end—if I can put the matter in terms of good and bad. An examination of the logic of the current VED proposals shows that they seem to encourage the wrong kind of cars. My amendments give the Government the opportunity to correct that damage.

Although I have prayed in aid of my arguments the 2008 agreement of 140 g of carbon dioxide per kilometre, the amendments may encourage the Government to consider the fact that other cars are already in existence that perform markedly better than the 172 g that I quoted but whose engine size is above 1100 cc. The Ford Ka at 155 g, or the Nissan Micra at 151 g are two good examples of vehicles that might be encouraged. I shall not read out the exhaustive list of cars that meet the 140 g output—the subject of my amendments—but it includes the Peugeot 106 diesel, the Volkswagen 1.9 diesel mark 3, the Audi A3 diesel and the Ford Focus 1.8 diesel. Many other diesel cars, because of their relative fuel efficiency, already meet the 140 g output of carbon dioxide per kilometre. Sadly, however, they do not benefit from the Government's arguments on VED on cars with engines of 1100 cc or below.

We should consider alternative fuels. I shall apply the same logic as I have already used, but to cars powered by liquefied petroleum gas. The reference to engine capacity is purely arbitrary; it does not take proper note of the logic of trying to encourage more environmentally friendly cars. Liquefied petroleum gas is good on carbon dioxide; it deals effectively with benzine emissions, which can cause particular health risks. It deals well with particulates and PM 10s, with sulphur dioxide, oxides of nitrogen and ozone emissions. I will not list all the medical benefits, but heart disease and respiratory problems will certainly be affected by a reduction in those emissions.

In fairness, the Government are backing their own policy of encouraging the uptake of liquefied petroleum gas. I am advised that the Deputy Prime Minister drives a car that is powered by that fuel—as are most of the Government's car and despatch agency vehicles. Sadly, however, by the end of 1998, just under 8,000 vehicles were powered by that fuel source.

I can think of two reasons why such an obviously environmentally friendly fuel has not enjoyed a greater uptake, and they are addressed by my amendments, which deal with the tax relief arguments.

There is no well-established infrastructure for the refuelling of cars with liquified petroleum gas.

Mr. Tim Loughton (East Worthing and Shoreham): In past Budgets, the present Government gave specific tax incentives for the conversion of buses and lorries to use road fuel gases. Those incentives were not nearly sufficient because, throughout the country, fewer than 100 lorries and 100 buses benefited from them. The problem is not limited to cars.

Mr. Jack: My hon. Friend makes a telling and helpful point. In my view, if there was some fiscal encouragement to install the necessary infrastructure, more cars would be converted to use liquified petroleum gas.

The second of my amendments would encourage the conversion of fleet vehicles to run on liquified petroleum gas. That fuel beats petrol and diesel on all of the polluting emissions that I mentioned except carbon dioxide. It is a very environmentally friendly and health-conscious fuel.

Sadly, the Government appear to have missed a significant opportunity to start the process of encouraging the uptake of such fuel, and the development of the motor vehicle technology that would help to achieve the Kyoto targets by reducing damaging emissions earlier than agreed. For some reason—in my opinion, only to catch a cheap headline—the Government arbitrarily drew the line at 1100 cc. As a result, they have an inconsistent and illogical approach to their objective of encouraging cars that are more environmentally friendly. In the case of liquified petroleum gas, they have completely missed the opportunity to encourage earlier uptake among cars powered by that fuel.

There is compelling evidence that the increased use of liquified petroleum gas would save more than £10 billion in health care and damage to the environment—especially by reducing particulate levels—by improving air quality. There would be many accompanying savings.

My proposal is self-financing. Often, when we advanced perfectly respectable ideas to improve the Finance Bill, we were shot down in proverbial flames because they would cost money. However, I am now suggesting something that will save well in excess of its costs, which the Calor Group has calculated as a net figure of £607,000—the tax costs of encouraging the installation of the infrastructure for LPG. One company, Shell, has expressed willingness to install the infrastructure, but there is scepticism in the industry about how quickly that development will be made. The modest proposals that I am putting before the House tonight would effectively save far more money in preventing damage to the person and the environment than they would cost in tax terms. If the Government were to agree to my proposals this evening, it would be a worthwhile step on the way to achieving their objectives earlier than expected.

Mr. Fabricant: I support the new clause so ably moved by my right hon. Friend the Member for Fylde (Mr. Jack). It gives the lie to the Labour Government's claims that the Budget is environmentally friendly. The fact that the arbitrary cut-off figure of 1100 cc generated a net income, in its first year alone, in excess of £40 million simply shows that it is yet another stealth tax, and is even more deceitful than the average stealth tax because it was introduced in the guise of being environmentally friendly.

12 midnight

The new clause and amendments tabled by my right hon. Friend meet the Kyoto accord and follow on from the principles of the Rio de Janeiro summit, which was established by a former leader of the Conservative party and Prime Minister, Lady Thatcher, who is now in another place. She established the conference in Rio de Janeiro and was instrumental in setting the targets that other Governments seek to follow. The vehicle excise duties set up in the Budget do nothing for achieving these targets.

As my right hon. Friend has already asked, why have the Government, instead of saying that there should be a cut-off point of 1100 cc, not specified a cut-off point that

[Mr. Fabricant]

is related to the emission of particulates or carbon dioxide? Why, for example, have they not encouraged, as has the republic—that is the right way to put it—of California, the introduction of catalytic converters to Californian standards, which can reduce the emission of carbon dioxide to less than 110 g per kilometre. There is—*[Interruption.]* The Secretary of State for Scotland says from a sedentary position that it is typical that I do not mention British—*[Interruption.]* I give way to the right hon. Gentleman. I did not understand or hear what he said.

The Secretary of State for Scotland (Dr. John Reid): I said that California has excluded almost all British cars. Is he suggesting that we do that here?

Mr. Fabricant: The right hon. Gentleman raises an interesting point. If the Government, instead of carping, understood a little about emissions—not from their mouths, but real emissions—and a little about industry, and introduced standards that would reduce the emissions of carbon dioxide, British cars would not be excluded. They are excluded because they do not meet Californian emission standards, and they should. We should aspire to those standards in the United Kingdom and not mock them. The Government mock them because they do not understand.

When my right hon. Friend the Member for Fylde was talking about 140 g per kilometre, I could see the eyes of Labour Members glazing over. They did not understand. They are innumerate. They understand only pound signs, stealth tax and the spin to try to make out that the measures that they are taking, which are primarily to raise tax, are designed to produce a cleaner environment, They are trying to misguide the population. They will not produce a cleaner environment by such means.

We have a chicken-and-egg situation with regard to liquefied petroleum gas, which is a very clean way of generating power for motor vehicles. However, my right hon. Friend the Member for Fylde will be the first to concede that using LPG reduces the power output of a vehicle by about 20 per cent. The real reason why there are so few cars using LPG is that despite the best endeavours of companies such as Shell, there are only 14 outlets in the United Kingdom selling it.

Mr. Jack: Is my hon. Friend aware that the question of loss of power output has been more than addressed? That has been ably demonstrated by the fact that one of the leading cars in the Vauxhall Vectra racing category happens to be powered by LPG.

Mr. Fabricant: I am interested to hear that. I believe that the Volvo, which is the only commercially available car that has a device to enable it to use non-leaded fuels and LPG, loses 20 per cent. of its power when switched to LPG.

Mr. Lindsay Hoyle (Chorley): The hon. Gentleman may not be aware that a very good British car—the Vauxhall Vectra—has such a switch.

Mr. Fabricant: I am pleased to hear that. Like the hon. Gentleman, who is a powerful advocate for British industry, and particularly British Aerospace, I would like to see the British car industry doing well and exporting to California. May I say how shocked I was that the right hon. Gentleman the Secretary of State—I might say my right hon. Friend—should think for one moment that I would not wish to see British cars exported to California.

If the Government were truly interested in the emission of particulates, carbon dioxide and other pollutants, they would focus on the emissions, rather than setting arbitrary sizes of car engine.

Mr. Richard Page (South–West Hertfordshire): I hope that my hon. Friend will develop the argument and explain to the House why the Government have banned the production and licensing of gas-powered electricity stations, as opposed to letting them continue with coal power, which produces far more emissions and environmental damage.

Mr. Fabricant: My hon. Friend is right. Although carbon dioxide is extremely dangerous and damaging to the environment—we have all heard of the greenhouse effect—he knows that the power stations fuelled by oil and by coal produce sulphur dioxide, which is an even greater pollutant. One can use as many cleaners as one likes in the emission chimneys; the emission of sulphur dioxide is still damaging, and is in breach of the Kyoto and the Rio de Janeiro targets.

Let us not be confused or beguiled by the Government's weasel words. The Government are not interested in ensuring that our environment remains safe for the generations that will follow. If they were, they would tax emissions. Instead, they tax the size of the engine. They tax it to the tune of £40 million in net gain this year—as I said, yet another stealth tax.

By how much will that increase in years to come? The world will get warmer and warmer, and become more and more polluted. We will have a car industry that still cannot sell into California, as the Secretary of State for Scotland said from the Treasury Bench, because in California people are truly concerned about their environment, so they are concerned with output and emissions.

I should have liked the Government to give real tax incentives for experimentation in the use of liquid hydrogen, which has not yet been developed in this country. Liquid hydrogen is one of the cleanest forms of fuel for the internal combustion engine. The sole emission of liquid hydrogen is steam.

Mr. Page: Is it not explosive?

Mr. Fabricant: Liquid hydrogen is less explosive than petrol.

Before we all get carried away with diesel, may I point out to my right hon. Friend the Member for Fylde that it is in many ways dirtier than non-leaded petrol. Whereas non-leaded petrol can produce long-term pollution of the environment, diesel with its particulates is particularly known for causing asthma, especially in schools located near main roads.

I ask the Government to consider the amendments tabled by my right hon. Friend. I wait with interest to hear how the Government justify their claim that the original

measure was an environmentally friendly move. Even if they deny that it would raise £40 million for the Revenue, will they not come clean and say at least that it was yet another example of Labour spin?

Mr. Loughton: I support my right hon. Friend the Member for Fylde (Mr. Jack) and new clause 10.

At the outset, I should declare an interest. A few months ago, together with the hon. Member for Peterborough (Mrs. Brinton), I was given a spin round Brands Hatch in the aforementioned Vauxhall Vectra at 116 mph. When we got out, my make-up was rather less smudged than hers. The car certainly revealed no loss of power compared with petrol-driven racing cars. It is the only liquified petroleum gas-driven racing car in the world and I gather that it is currently second in the league tables. There is certainly no difference in that respect.

Mr. Fabricant: Is not a larger engine required and is not fuel consumption therefore greater?

Mr. Loughton: No.

My hon. Friend the Member for Lichfield (Mr. Fabricant) was right when he said that this is a chicken-and-egg problem. I do not want to go into the environmental and health benefits of road fuel gases, as my right hon. Friend the Member for Fylde has done, but the problem is that there are only about 135 points of service for road fuel gases even though this country has about 19,000 service stations. There are difficulties with access.

There is an LPG service station in my constituency, but there are no others for miles around. The key to the success of LPG—and, indeed, of compressed natural gas—is infrastructure and making tax concessions to create that infrastructure. Installing an LPG pump at the average service station costs in excess of £30,000; installing the infrastructure to enable compressed natural gas to be pumped costs much more. The key to the installation of such pumps is businesses realising that there is a market for the product and the key to that market is company car fleets.

About one car in 10 in this country is a company car, but 50 per cent. of all new cars are company cars. We need to give tax incentives for company car fleet operators to convert their cars to road fuel gas or to buy road fuel gas-driven cars in the first place. At the same time, we need to give tax incentives to the manufacturers of those cars so that they will produce them at rates that are competitive with those of the diesel and fossil fuel-driven cars about which we have heard so much.

One of the few measures that we welcomed in the Budget was the 29 per cent. reduction in taxation on road fuel gases. We found out about it only in the small print and it was a great shame that the Government did not sound off about it rather more. That good measure followed another good measure that was introduced by my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) in a Budget about five years ago. He reduced the duty on road fuel gases by 25 per cent.

Not enough has been done despite those two, proportionately large moves being made. The duty on road fuel gases in this country is still higher than in any other European Union country. Certain European countries, such as Belgium, do not tax road fuel gases or LPG at all. We need to make a bold move on taxation—not only on fuel duty, but to enable people to install the pumps and the infrastructure necessary to make such products available.

Getting sales of unleaded petrol off the ground was a great success of the previous Government. They succeeded only because they made a bold move—slashing the duty on unleaded fuel—and because such fuel was readily available in service stations. A new pump head had to be put on the same sort of tank and, in many cases, people had to put an extra widget on to the engine—a 30-minute job. However, the job is far more substantial on road fuel gas-fired vehicles, which is why tax allowances are required to speed things up.

The industry would tell the House that it needs at least a five-year stability plan to show that the Government, whoever they are, are committed to promoting tax incentives and much wider use of road fuel gas-fired cars.

Mr. Edward Davey: I generally agree with what the hon. Gentleman and his hon. Friends are trying to do. Does he agree that other clean fuel technologies, such as fuel cell technologies, should also be promoted by the tax incentives he proposes?

12.15 am

Mr. Loughton: I entirely agree, but those technologies are still some way off. In fact, 100 per cent. tax allowances are available in some circumstances, including for equipment for scientific research to develop technologies. We need immediate action to promote the use of road fuel gases over the next few years. The Kyoto targets are not many years off, and by the time that new technology comes in, it will be too late to achieve them.

By promoting the use of road fuel gases, we would increase the residual value of cars. Dual fuel-driven cars are a current option, but conversion is much more expensive. If drivers are guaranteed to be close to a pump using road fuel gases, the costs will be brought down, and there are also economies of scale. Grants are available from the Energy Saving Trust for conversion, but such cars would be cheaper if the fuel were more readily available.

There are also implications for noise pollution. Companies such as the John Lewis Partnership and Safeway have converted or bought vehicles that operate on LPG because they are quieter as well as more environmentally friendly, which enables deliveries to shops in residential areas at anti-social times. They can reach the shops more quickly, avoiding adding to the traffic congestion that costs British industry so much.

The new clause would give more of a kick-start to the greater use of road fuel gases than merely reducing duty. It is no use reducing the duty on fuel if people cannot get the stuff. Manufacturers and operators of petrol stations will not make a capital commitment unless they are convinced that there will be some payback over, say, five years. New clause 10 sends a firm message to the industry that change will not cost much in the short term, but will have an enormous payback in the medium term, not only in revenue, but in savings from the promotion of the health of the nation.

Mr. St. Aubyn: I support the new clause tabled by my right hon. Friend the Member for Fylde (Mr. Jack).

[Mr. St. Aubyn]

I apologise for not having been here to hear him move it, but I watched his progress carefully on a television monitor.

During the Committee stage, I, too, proposed the encouragement of the use of liquid petroleum gas. One of the key movers of that project, the British Oxygen Company, is based in my constituency. Everyone involved in the project welcomed the reduction in duty rather quietly announced after the Budget, but was concerned that it was not enough. We need more petrol stations providing road fuel gas outlets. In Committee, we heard startling statistics about how far one might drive by filling up with LPG. Of course, it depends on how big the car's tank is, but we need many more LPG outlets if the idea is to take off.

A car converted to LPG requires expensive charges for substantial checks that it is roadworthy. Cars carrying the new fuel must be safe, and the cost of the fuel tank is another hurdle in the way of wider use. The basic cost of tanks is perhaps between £500 and £1,000, but safety checks add greatly to the cost, wiping out the benefit of Government grants. I urge the Minister to give that some thought when she responds to the debate.

If this conversion is to happen it will require further research. I regret the fact that the hon. Member for Peterborough (Mrs. Brinton) is not present. During the Committee, her thoughts were rather skimpy, to say the least, and tonight, they are not to be had at all. That is regrettable, because the heart of the research into LPG engines is at Perkins Engines in Peterborough. That company was the subject of a serious takeover bid, and it is well known that its new owners are reviewing whether this research project should go ahead.

The comments of Ministers about the LPG project, and about what they are prepared to do to encourage the infrastructure without which the project will not succeed, could have a serious effect on the viability of the research programme and on the willingness of the new owners, Caterpillar, to invest in the project. That would affect employees in Peterborough, and it would have a knock-on effect on employees at BOC in my constituency, and all that it has invested in the project so far. BOC has converted its vehicles to run on LPG, and many other firms are looking into that.

A firm in Cranleigh in the southern end of my constituency takes cars around the country for those who wish to travel by air. It is the air equivalent of motorail. If someone is flying up to Edinburgh, instead of putting his car on the back end of a train, he leaves it at Gatwick airport, where it is put with others on the back of a trailer and driven up to Edinburgh overnight. His car is ready for him when he arrives at his hotel in the morning. For the modern business traveller who uses his car as a mobile office, this is a tremendous saving, because he arrives without the hassle of having to drive all that way.

Mr. Page: I suggest that my hon. Friend recommends to his constituents that they take a hire car in Scotland. That would probably be a lot cheaper.

Mr. Deputy Speaker: Order. I suggest that we come back to the matter in hand.

Mr. St. Aubyn: That firm ensures that the environmental impact is much reduced, because it takes all those cars up north in one go. The impact is reduced even further because it has chosen to invest in LPG vehicles. That works because it can manage to make the journey, as there are enough fuel stations where LPG is available. It enables the mobile office to move with the business executive, which is not possible with a hire car. To extend that service, many more fuel points are required around the country. That is why we shall listen carefully to the Economic Secretary's response.

Ms Hewitt: I am delighted to hear from the right hon. Member for Fylde (Mr. Jack), and from the other hon. Members who spoke with such enthusiasm about cleaner cars and cleaner fuels. We share their enthusiasm, and the Government are taking practical and consistent action to encourage cleaner cars and cleaner fuels. I shall say a little about that action before I explain why the new clause is unnecessary and the amendments are impracticable.

As several hon. Members have said, in the Budget in March, my right hon. Friend the Chancellor cut the duty on road fuel gases by 29 per cent. As a result, the duty differential is now the largest in Europe, and the duty on road fuel gas is only a fifth of that on diesel. We have committed ourselves to maintaining that differential for the lifetime of this Parliament, which will help to give confidence and stability to those who invest in the infrastructure of road fuel gas filling stations, and to those who are buying or converting to gas-powered vehicles.

Let me also mention—as others have not yet done so—the Energy Saving Trust's powershift programme. The programme provides grants to help cover the additional purchasing costs of gas-powered vehicles, and to help those who wish to convert their vehicles to gas or change their vehicles. In some instances, it can meet up to 75 per cent. of conversion costs. We have also taken steps to encourage the use of road fuel gas by company car fleets. Since 6 April 1998, the extra cost of enabling company cars to run on road fuel gas has been disregarded in the calculation of the company car benefit taxable on employees.

It is clear that there are already substantial incentives for people to buy or convert to gas-fuelled vehicles. As the right hon. Member for Fylde pointed out, the problem has not been encouraging people to use gas; it has been the lack of an infrastructure providing filling stations at which they can buy it.

Mr. Loughton: The Minister specifically mentioned a tax change in the Budget in 1998 relating to the capital cost of company cars. That, of course, was down to an amendment to the Finance Bill tabled by Conservative Members. Can the Minister tell us how many cars have converted to road fuel gas since that date?

Ms Hewitt: It is still quite a small number. As I was about to say, and as several hon. Members have already said, the problem is that the country does not yet possess an infrastructure providing filling stations where drivers can easily buy road fuel gas. But—as hon. Members have said today, and as was said in Committee—both Shell UK and BP have made the welcome announcement that they will implement major investment programmes to ensure that there is a network of LPG sites on forecourts throughout the United Kingdom. Shell UK has announced a £10 million investment programme designed to make LPG available to

80 per cent. of motorists by 2001, while BP aims to have 300 of its forecourts dispensing LPG within the next five years, and 75 sites on line by the millennium.

Mr. St. Aubyn: In Committee, I asked the Minister what proportion of Shell's total forecourt investment the £10 million represented in the coming year. She did not have the figures then; does she have them now?

Ms Hewitt: That is really a matter for Shell rather than for me, but I shall try to write to the hon. Gentleman.

The welcome investment in infrastructure to which I have referred is happening without the proposed special capital allowances. Although I share the objective of the right hon. Member for Fylde, I consider it unnecessary to introduce such allowances. In my view, this is a deadweight proposal; but we will continue to monitor the take-up of road fuel gas, and will keep the case for additional incentives under review.

I should mention in passing that special capital allowances for gas-powered vehicles and gas refuelling points would doubtless have to be notified to the European Commission as a state aid, and would probably also have to be notified to the code of conduct group on business taxation. That may well interest several Conservative Members.

I hope that, for those reasons, the right hon. Member for Fylde will feel able to withdraw his motion. If he does not, I will ask my hon. Friends to oppose it.

Let me now turn to the amendments. As the right hon. Gentleman and, I hope, others will know, in the autumn of 2000 we shall introduce a system of graduated vehicle excise duty for new vehicles based primarily on their carbon dioxide emissions. That will do what several hon. Members have urged us to do this evening: it will create a VED system that directly relates VED paid on new cars to their fuel efficiency and their level of emissions. It will give manufacturers and motorists alike a real incentive to take environmental issues into account when deciding on the type of vehicles that they make or buy. We are working closely with manufacturers to ensure that they have the systems in place to supply our licensing authorities with the emissions data on which we shall base the new system, but that cannot physically be done before autumn 2000.

12.30 am

I can just imagine what the motor manufacturing industry would say if we were to accept the amendment and to demand that it puts in place brand new information systems, to be up and running and linked to the VED system by 1 January 2000.

Mr. Jack: Does the Minister not agree that information is already available about the carbon dioxide outputs of the vehicles that I listed? The information is there now and presents no barrier whatever to the achievement of the proposal in my two amendments.

Ms Hewitt: The right hon. Gentleman is missing the point. New cars have been tested for carbon dioxide emissions since 1997, but the information has not been collated in a form that can be used to calculate VED rates. As I have said, manufacturers, the Driver and Vehicle Licensing Agency and computer suppliers are working together to put the systems in place, but they will not be in place and ready to operate before autumn 2000. For the vast majority of cars—those registered before 1997—no carbon dioxide information is readily available.

The right hon. Gentleman and other hon. Members referred to the initial step that we took in the Finance Bill following last year's pledge by the Chancellor. We introduced a reduced rate of £100 VED for existing cars with engines up to 1100 cc. We did that not at a revenue gain, but at a revenue cost of £85 million, as the Red Book makes clear.

Of course, engine size is not the same as carbon dioxide emissions. It is not a perfect equivalent for environmental damage and pollution. None the less, it is the best available proxy for fuel efficiency that we have and can obtain from the information that is held by the licensing authorities. The measure has given a tax cut to drivers of nearly 2 million smaller cars.

Amendment No. 29 would extend the reduced rate to vehicles that are certified as using LPG as a fuel. I have referred to the incentives that the Government have already introduced to encourage such cars, but, as the right hon. Member for Fylde knows, many of the vehicles that use LPG can run on both gas and petrol. Indeed, according to DVLA records, only some 960 currently registered vehicles run solely on road fuel gas. About 10 times that number—some 9,300 bi-fuel vehicles—can run on either gas or fuel. As the amendment stands, bi-fuel vehicles that are capable of running on gas, but may not for most of the time, would none the less qualify for the reduced rate. Clearly, that would not make sense.

I hope that the right hon. Member for Fylde will support the Government's practical steps to encourage the conversion to road fuel gas and the purchase of smaller and cleaner cars, and agree to withdraw his new clause. If not, I must urge my hon. Friends to vote against it.

Mr. Jack: Although I appreciate the Minister putting on record some of the Government's efforts in the sector, much of what she said in rejecting perhaps technically flawed amendments was not consistent, although she used the word "consistent" at the beginning of her remarks. I understand that there is a legal requirement, if not in United Kingdom law, certainly at European level, to capture and to retain carbon dioxide data on car emissions. Therefore, that information is available and we have the voluntary agreement, which I mentioned and which is mentioned in the Government's consultation document on graduated VED.

It would not be difficult for a motor manufacturer—I mentioned a number of those—to furnish the Government with that information, which such manufacturers are, I understand, legally required to do.

I pray in aid a footnote to a briefing from the Society of Motor Manufacturers and Traders, which states:

> "It was not a legal requirement to collect carbon dioxide data from new passenger cars before 1997".

Admittedly, therefore, it might be difficult to visit my argument upon pre-1997 cars. However, clearly, the hon. Lady's argument falls like a pack of cards when applied to cars manufactured after 1997, as that information is available, and using it would be entirely consistent with the Government's own policy.

I was worried by the hon. Lady's argument—which she based entirely on carbon dioxide emissions—that the Government favour a VED that would encourage

[Mr. Jack]

environmental improvement, as she not only said that she supports liquified petroleum gas, but prayed in aid a slightly weaker hand when describing its merits.

When the Government make their proposals, the fleet will comprise cars of many different ages. It will be interesting to see how the Government cope with pre-1997 cars, on which data may not be available. I therefore fear that the second strand of the hon. Lady's argument, on consistency, may be difficult for the Government to maintain. Nevertheless, we shall have to await the outcome of the consultation exercise to discover how they will deal with that.

I hope that, when the consultation exercise is concluded, the Government might find some way of rewarding people whose cars are either dual fuel or run solely on LPG, as such cars offer enormous benefits. I am sorry that the hon. Lady had not consulted the Department of Health on the matter. I am sure that, given a chance, the Chief Secretary to the Treasury—who is now in the Chamber, and is a former Health Minister—would have whispered in her ear not sweet nothings, but hard information on how wider introduction of LPG could reduce the number of those who have to go to hospital because of heart or respiratory conditions.

The hon. Lady also prayed in aid the work of certain fuel companies in creating an LPG infrastructure. There is some scepticism about just how widespread that network will be—I quoted figures of 400 forecourts; 200 depots, over a four-year period; and the conversion to LPG of 6,000 company cars. On the net tax effect of my proposals, I quoted £607,000. However, if such proposals were implemented, billions of pounds could be saved in the health budget. It is sad that the Government are not prepared to perform a very straightforward cost-benefit analysis when considering the amendments.

I am grateful for the support for the amendments that I have received from my hon. Friends, some of whom spoke on the matter with great knowledge. However, I acknowledge that the amendments may have technical deficiencies, and that the Government themselves may not have the data necessary to apply the proposals. This debate has been useful, perhaps not only in teasing out the Treasury's thin thinking on the matter, but in encouraging it to do more work on it.

I therefore beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 11

ADMINISTRATIVE EFFICIENCY OF THE TAX SYSTEM

'The annual Financial Statement and Budget Report shall include an analysis of the effect of the Budget measures on the administrative efficiency of the tax system, including the following matters:

(a) the change in the number of taxes, tax rates, tax allowances and reliefs;

(b) the estimated change in annual tax compliance costs for the private, public and voluntary sectors; and

(c) progress on the simplification of tax administration for all taxpayers.'.—*[Mr. Edward Davey.]*

Brought up, and read the First time.

Mr. Edward Davey: I beg to move, That the clause be read a Second time.

It may strike hon. Members as odd that, at this late hour, we are debating a new clause on tax administration, but, as we pass the Finance Bill, we should spend some time debating the matter. In 1986-87, the Tax Law Review Committee estimated that the tax administration industry, in both the public and private sectors, accounted for 1.5 per cent. of national income. At current prices, that means that the administration industry is worth more than £12 billion—as much as the agriculture, fisheries and forestry industries. The way in which we regulate that significant industry and the policies that we give it to administer affect many people and involve a lot of money. It is incumbent on us to look at the serious issues involved.

To their credit, the Government have introduced new measures in clauses 123 and 124 dealing with electronic documentation to assist the administration of the tax system. That is welcome, but we need to approach the issue with humility. Having considered all the factors that make the tax system so complicated, tax expert Robin Godman wrote in *Taxation Practitioner* in July last year:

"In fact, the Budget and the Finance Bill cycle are very significant factors in the causes of complexity".

What we are doing today—what some of us have been doing for many months—adds to that complexity. We need to look at the process and try to find ways to reform matters and make them simpler—perhaps even to reduce the size of the industry. After all, it does not really help our balance of payments.

That has been a recurrent theme over the years. Many committees have been set up. The Institute for Fiscal Studies was set up more than 30 years ago. The Meade committee report in 1978 influenced the Conservative Government. Recently, we have seen some major new studies on the tax system. The Bath report, published last year—its full title is "The Tax Compliance Costs for Employers of PAYE and the National Insurance System"—has become a seminal work on how we should look at the issues. The Government sponsored the study via the Inland Revenue and the Department of Social Security. It had some hard-hitting conclusions on compliance costs that should make us sit back and think.

The Select Committee on the Treasury has looked at the Inland Revenue and spent some time analysing the report from Bath university. Its findings were published at the end of May this year. This is a live subject and it deserves our attention.

What are the root causes of complexity? The foremost are the taxation policies of any Government. The Government have introduced a significant shift in the direction of taxation policy. We have seen some good signs, particularly in the Taylor report's comments on working towards the integration of the national insurance system with the income tax system. The Government have taken on board some of those important proposals, but they need to go further. The Government's proposals to merge the Inland Revenue with the Contributions Agency are progressive, and will help to reduce administration costs. There are other measures in the Bill that will also reduce complexity, including the abolition of mortgage interest tax relief and the married couples allowance. Those measures are going in the right direction for simplicity.

That is on the positive side of the ledger. Unfortunately, there are too many items on the negative side in this Bill and previous ones. The 10p tax rate that we debated earlier this evening has introduced a great deal of complexity for the personal and commercial sectors. Last year's Finance Act introduced the capital gains tax taper relief, causing huge complexities for many people operating the tax system. The system of tax credits, including the working families tax credit, the child care tax credit and now the children's tax credit, is an innovation in tax administration that I fear will increase compliance costs substantially for the private sector. Those policy changes impact significantly, and the net effect of all the tax changes has been to increase substantially the number of tax rates facing the taxpayer.

12.45 am

For ordinary taxpayers, there are three rates on earned income—10, 23 and 40 per cent. For dividend tax, we have 10 and 32.5 per cent. For capital and savings, we have 20 and 40 per cent. For trust income, we have 20, 23 and 34 per cent. For those receiving children's tax credit in the years to come, there will be a tapered tax rate and, at some stage, people will be paying a tax rate of 46.7 per cent. That is before we get to the many rates that have been introduced with the CGT taper relief. The number of rates has gone up, and that is why we propose that the Government say, when they introduce their Budget report, how many allowances, rates and reliefs there are as a result of the Budget.

Complexity comes not only from policy changes, but from the administrative detail, regulations and rules that come from the tax authorities, be it the Inland Revenue or Customs and Excise. Those are the root of the compliance costs for business. A business man—even someone employing only one or two people—must read all the information and regulations to ensure that he complies. Also, he must understand them—and that can take some doing. This is not just a one-off exercise. Employers must keep up to date because the tax law is forever changing.

For small businesses, huge compliance costs are involved. They must come to terms with the coding for the UK's cumulative tax system. They must operate two forms of direct taxation—income tax and national insurance. Anyone who has had to deal with the complexities of class 2 national insurance for the self-employed will know how taxes that raise only small amounts of revenue can involve huge complexity, and can cause great concern for small businesses.

The Bath report showed the extent of compliance costs and how they unfairly affect small businesses. The report showed that compliance costs per employee for the smallest employers—those employing one to four people—were £288 per annum. For the largest employers—firms employing 5,000 employees or more—the compliance costs were just £5 per annum. The relativities are even worse, and small businesses are even more badly affected. The gains that large employers get from the cash flow benefits of collecting the money from their employees before passing it on to the Inland Revenue are far larger than those for smaller employers.

The Bath study showed that the gains that large employers get from that float income outweigh the costs of administering the pay roll. Large employers do very well from the current tax system, and small employers do not. That is a serious issue when one looks to the long term. The UK's cumulative tax system was designed for a static labour market, when people stayed in their jobs for many years, when there were low staff turnovers and when we had many more larger employers. However, we do not have that sort of labour market now, and that will be the case increasingly in the future. We will have a much more dynamic labour market, with people changing jobs several times during their career. We will have a greater number of smaller companies. That crucial finding of the Bath report was not picked up in the previous studies of tax administration.

The study showed that many of the compliance costs come when one takes on a new employee and a new coding has to be found. In theory, the P45 system should reduce those costs, but the study showed that it does not tend to work. That cannot be good for job creation.

The Treasury Select Committee report said that the Bath study pointed the way forward. It said:

"We recommend that the Inland Revenue be given a target to reduce compliance costs."

That is absolutely right. The new clause would bring that about because it would force the Government to provide the information according to which targets could be set and progress measured.

The report focused on the compliance costs for small businesses. If a similar study were done on the costs for the personal taxpayer and the voluntary sector, it would also show significant compliance costs, increasing over the past few years with the introduction of self-assessment and the working families tax credit. If such studies were available to the House—perhaps the Government should sponsor them—many more hon. Members would be concerned about the matter and urge the Government to review it for the next Finance Bill.

The complexity is not only in administrative detail but in the overall philosophy and culture of the Inland Revenue, which does not seem to emphasise the need for simplicity, which should be an objective of tax policy. With a simple tax system taxpayers—citizens—can more easily understand what is being raised in their name, and how. That will increase accountability and compliance, because, if people understand the system, they will be more willing to pay.

The Government said that they were in favour of simplifying the tax system. That was almost a manifesto pledge. The Chancellor has certainly said that he is pro-simplification. If he is to achieve that goal, he should consider the approach embodied in the new clause.

The new clause would build on initiatives set in train by previous Chancellors. Lord Howe was a great promoter of the tax law rewrite project, which was designed to try to simplify the wording of tax legislation. It is a signally good project, with support from hon. Members of all parties. Labour Members do not seem very interested, but they should be concerned about the regulatory burden that the tax system imposes on small businesses.

The project does not shorten the legislation but it makes it easier to understand, so that one does not have to read it several times to find out what on earth the legislators were on about and what tax laws we were trying to create. It is very important for simplification.

The people involved in the project have often argued for a technical finance Bill, to ensure that we get it right in the first place rather than pushing through imperfect

[Mr. Edward Davey]

tax legislation and having to amend it the next year. That is certainly one way forward that I would urge the Government to consider.

I also urge the Government to examine the recommendations of the Select Committee on the Treasury in its report on the Inland Revenue. The Committee considered three options. The first was a royal commission on tax simplification: I think that that goes a little far, but it is a possibility the Government might want to consider. The second was a White Paper to be published by the Government at the start of each Parliament, in which they set out their direction for tax policy, so as to give tax practitioners and taxpayers an idea of where it was heading and encourage a little more coherence in the Government's tax thinking. That might be another way forward. However, the most impressive aspect of the Select Committee's analysis of the evidence that it heard was its emphasis of the need for longer-term planning of tax policy. That points toward the idea of a technical Finance Bill, so that there is greater consultation on tax measures to ensure that we get them right.

New clause 11 makes a more modest proposal: it simply asks that the Government provide information, so that we can see how their agenda for tax simplification is progressing. The new clause is based on paragraph 91 of the report of the Select Committee on the Treasury, recommendation (u), which states:

> "We recommend that in its response the Government gives its considered view on the options for simplifying the tax system we have discussed in this Report and sets out its own proposals for a systematic programme of simplification with a view to reducing compliance costs."

If the Government accept our new clause tonight, they will have gone a long way toward implementing that recommendation.

Mr. Flight: I welcome the Liberals' conversion to simpler and, by implication, lower taxes, given that one of the major causes of tax complexity is the overall rate of tax. I hope that they will not mind my saying that they are stealing our line. Earlier this evening, we heard a spirited speech from my hon. Friend the Member for Grantham and Stamford (Mr. Davies), who focused on the enormous complexity that has been introduced into our income tax system. The new clause would monitor that complexity and the cost to the private and public system, which is currently estimated to be £12 billion per annum. It would be useful if some specific measurement of the efficiency of specific taxes were included in the new clause—for example, ratios of collection costs to amount raised.

The Government's stance—that they are keen to simplify tax and have taken initiatives to do so—does not bear the light of day. Over the past two years, the Chancellor has introduced a substantial degree of complication into the tax system. Much of that has been done for headline spin, some has arisen from the mantra of more means testing, and some has been the result of the traditional and continuing Labour prejudice against people with capital, especially small capital. We have ended up with six different tax rates: the gimmick 10 per cent. rate, which does not apply to one's little bit of investment income; a 20 per cent. rate; a 23 per cent. rate; a 32.5 per cent. top rate on dividend income for top-rate payers; a 40 per cent. rate; and a 44 per cent. rate for those who will be paying tax on the new child credit.

As has been said, there is a separate rate of taxation for trusts. The capital gains tax system is an absolute nightmare that needs to be reformed. There is very little chance that any individual will have the records necessary to calculate the old indexation and the new tapering rates. The Government seem to want ordinary individuals to have to employ accountants to keep and monitor those records. The present capital gains tax regime is unworkable.

1 am

The working families tax credit will cost employers a fortune to administer. On pension contributions, I wonder whether Labour Members realise that there are six different proportions of income that are allowable against tax as contributions for two different scales and different types of pension arrangements, depending on age. I do not blame the Government for that situation because it existed when they came to power, but if any Government were to consider reforming pensions, simplifying the tax rules for pensions would be the most important starting point.

There is an element in the tax system of losing touch with ordinary citizens. It is not surprising that elderly people whose means are small complain of being harassed when they are sent tax forms that they do not understand. More and more people are being dragged into the detailed self-assessment tax net and have to deal with concepts and calculations that they simply do not understand. Their returns will be wrong; the fines will go up, and the Government will find that the quite unnecessary complications in the personal tax system become enormously unpopular.

Citizens want tax rules that they can understand and remember. They want to be able to work out, almost on the back of an envelope, what their tax liabilities will be. There is no reason why tax rules for the average citizen should not be that simple—they were that simple not long ago.

The hon. Member for Kingston and Surbiton (Mr. Davey) pointed out that small business, which is the great creator of new employment in our society, is also particularly hard-hit by the growing web of tax complications, as the Bath report has shown.

To return to my starting point, one of the big background problems for all Governments is the fact that tax avoidance measures inevitably complicate the tax system. This country should never forget the major difference between tax avoidance and tax evasion. In Germany, there is no legal difference between the two concepts. A central part of culture in the Anglo-Saxon world is the distinction between that which is within the law and that which is without the law. Naturally, all Governments want to stop tax avoidance. I might add that most citizens naturally do not want to pay any more tax than they are obliged to. However, I suggest that there is growing Government paranoia about tax avoidance, which is nowhere better illustrated than in the recent IR35 proposals, which are not in the Finance Bill but will be implemented in April 2000.

There are, no doubt, people who use companies to reduce their income tax and national insurance charges. However, as much of the evidence demonstrates, most of

those cases occur in genuine entrepreneurial situations. People set up a business to hire out their services, particularly in the software industry, and they do so through a company. If the Government's proposals remain as they are, they will be a major disincentive to individual entrepreneurship in the service sector. People will not be able to offset their costs; there will be huge hassle in qualifying as an exempt company; and the money that they are paid will have full tax and national insurance stopped out of it.

The proposals will cause huge problems for professional firms. Professional lawyers who second their staff to organisations such as the Financial Services Authority, which will not be able to function without those staff, will face problems. Those proposals emanate purely from the Government's understandable but narrow focus on tax avoidance and their lack of thought about the knock-on effects and injustice caused by many of the proposals.

The best antidote to tax avoidance must be a lower tax regime. In the low tax regimes of the world, it is not worth the possible legal costs to try to make clever cuts or avoid taxation. We on the Opposition Benches have not changed our clothes: we stand for simpler and lower taxation. We very much share the spirit of the Liberal Democrats' new clause, delighted that they are obviously looking to make friends with us, having perhaps been a little rebuffed by Labour. What the amendment recommends is absolutely in the spirit of what we as a party stand for and always have stood for.

Mr. Page: It is not often that I welcome a Liberal Democrat amendment. I believe that it is the first time in 23 years; I do not rush these things. I congratulate the hon. Member for Kingston and Surbiton (Mr. Davey) on the new clause. It flags up problems that face any Government and the Inland Revenue. The point has been made—although obliquely, and perhaps not as intended. I am sorry that it is late and that it cannot be fully debated and allowed the gallop around the field that it deserves.

As matters of increasing complexity emerge in our taxation system, and as the Inland Revenue increasingly twists and turns and adds regulation on regulation to avoid the inevitable, the effect on small businesses will become intolerable. The hon. Member for Kingston and Surbiton mentioned the pressures on small businesses and the Bath report. Compliance costs are rising day by day, and small businesses are finding them an increasing burden to bear. I can quote some examples.

I know of a company that employs just over 100 people. It received a form from the Department of Trade and Industry the other day, which took the senior finance man four clear days to complete. If the company had not completed it, the panoply of law, pressure and fines would have descended on it. There must always be the temptation for those in small businesses to fill in any figure and send off the form, and then say, if ever checked, that they must have made a mistake. The person to whom I have referred was most conscientious; he did everything properly and filled the form in fully.

A company of more than 100 people can withstand such demands, but what is it like for a smaller firm, in which the finance man is required for the day-to-day handling of the company accounts? As time goes by, pressure on such smaller businesses will grow and grow.

It is no secret that I was hoping that new clauses 2 and 12, which deal with the IR35 question, would be selected for debate. My hon. Friend the Member for Grantham and Stamford (Mr. Davies) has touched on some of the problems that will result from that measure. Again, it will mean pressure on small businesses. Indeed, avoidance and perhaps even evasion may be brought about by the Inland Revenue's actions.

As night follows day, Inland Revenue solutions to tax avoidance often tend to throw the baby out with the bath water. I always find it sad that the Government, who are no doubt driven by their masters in the Inland Revenue, look more to traditional methods for the solution than to the future. I say that because I believe that we are on the edge of a trading revolution, at which new clause 11 hints. There will be huge consequences for tax raising, which may be somewhat similar to the way in which Gutenberg's invention of movable printing broke the vast powers of the Church some five centuries ago.

As hon. Members—I can see them looking at me—have instantly grasped, I am referring to the growth of internet trading. It would not surprise me to find that history repeats itself, with the Revenue trying to block certain internet activities, just as the Church tried to block the printing revolution that swept through Europe in the 15th century. You would correctly rule me out of order, Mr. Deputy Speaker, if I moved into the detail of how the Church's hold was greatly loosened—if not broken—at that time, although it would be fascinating and I know that Labour Members would love to hear it. However, it would be wrong for me to take that course. I merely point out that another major effect of the move away from handwriting to printing and publishing in quantity was to contribute to breaking the hold of Latin as a common language at that time. The IT revolution that is introducing the internet will be the reverse of that because it brings with it a common language—English, or perhaps I should say American.

The new clause provides for an analysis of the Budget which will mean an annual reassessment of everything included under the new clause—the costs of compliance and of tax raising and collection will have to be reviewed constantly. Such matters will not be dealt with once and then forgotten for five or 10 years; their consideration will have to be on-going.

The Government seem unaware of the tide of change that is sweeping towards traditional trading patterns. If they are aware of it, they will realise at the same time that their powers are strictly limited. Politicians want to police the internet—perhaps to stop pornography. However, the majority of those politicians do not realise that that is the least of the threats to the established order. The new clause focuses on the accelerating trend of change. Internet users can, and will, use encryptions to transmit electronic data that will be impossible for tax inspectors to read. At least, data will be readable only at vast expense by using an extremely large computer to crack some of those encryption codes. As such codes use large prime numbers, a vast amount of computer time will be needed to break down a relatively short message. That will be impractical for the state to do.

The new clause hints at an erosion of the tax base which will have severe consequences for Government revenues. To remove such controls from the Government will mean a move away from central provision to a situation in which individuals—not politicians—decide on

[Mr. Page]

the state that they want. Individuals will make decisions in many spheres of activity by paying for those activities themselves rather than relying on their provision by the state. That will result in a marked reduction in what Harold Wilson called the social wage. Such a tendency will be driven by the erosion of tax bases caused by the encryption of trading on the internet.

If anyone thinks that I am dreaming, or that this is pie in the sky, I tell them that the process has already started. It applies easily to goods for which information can be encrypted and made immune from tax inspection—films, music, airline and theatre tickets, advice of any kind, books, magazines, holidays and even, perhaps, the activities of personal service companies. The IR35 changes may well help to drive companies towards exactly what I have described. If we add to that the mobility of companies—the ability to trade elsewhere in the world—then it will require a Government who are fleet of foot and of mind to stay on top of that pile. The provisions of the new clause point in that direction.

Nothing proves a point better than the practical example that people will migrate—physically or electronically—to the most favourable tax regime. The last part of the new clause makes exactly that point. It says that the Budget report should include an analysis of the effect of the Budget measures on

"progress on the simplification of tax administration for all taxpayers."

If that progress is not made, the taxpayer will migrate.

1.15 am

I have the privilege to be joint chairman of one of the most important all-party groups in the House—the all-party racing and bloodstock industries group. The Government have already been forced to cut VAT on training fees because of action by the Irish Government in reducing theirs, and to stem what was threatening to be a flood of horse migration. We have a much reduced stallion base in this country at the moment. Why? Because the Irish have a better tax regime on stallion allowances, so more and more people are sending their mares to Ireland. That is the physical movement towards a lower tax regime.

To take a current example of the way in which electronic means are enabling companies to avoid tax, a well-known bookmaker has set up its operation in Gibraltar, letting its clients off the requirement to pay betting tax of some 6 per cent. on winnings—a loss to Government revenues. The age of digital cash is before us; we ignore it at our peril.

It is late at night—[Hon. Members: "Hear, hear."] I take those cheers as encouragement to develop my argument, but I feel that I should draw my remarks to a close.

New clause 11 peels back the first corner in drawing attention to the huge changes that are upon us. I hope that the Financial Secretary—who rescued small businesses in her first year as a Minister and has inflicted the might of the Treasury in her second—will grasp the point that is being made tonight.

Sir Robert Smith: The hon. Member for South-West Hertfordshire (Mr. Page) mentioned the problem that conscientious people face when the tax system is complex. The Government need to bear that in mind when considering new clause 11. The more complex one makes the tax system, the harder it is for the conscientious, but one does not necessarily catch those who are fleet of foot or less conscientious, who can evade or accidentally avoid the system. New clause 11 is partly designed to tackle the burden and stress placed on the conscientious.

I agree with the hon. Member for Arundel and South Downs (Mr. Flight) that new clause 11 would deter the Government from making a mess of IR35. I have with me a letter from the Institute of Chartered Accountants of Scotland, expressing great concern that IR35, as currently proposed and currently out for consultation, might do immense damage through its compliance costs.

The IT industry was mentioned. Worry has also been expressed in the media industry. However, as a result of where I come from, my postbag is obviously most heavily influenced by those who work in the oil industry, providing their services as single-person companies. There is concern about the extra burdens placed on the industries for which those people work, which must meet the costs of trying to police the system. Those who work in the industry have already experienced cuts in their income because contracting fees have been reduced, and further cuts are likely in order to pick up the extra costs of taking on board pay-as-you-earn and national insurance.

I hope that, when the Government consider IR35, they will show some of the flexibility and understanding that they eventually did when they considered roll-over relief for capital gains tax. I hope that they will enter into effective consultation with the industry to work out where the real concerns are on tax avoidance. In that way they will avoid using a sledgehammer to crack a nut, which appears to be their approach at the moment.

I urge the Government to accept new clause 11 because it is in their own interests to have it sitting there, waiting for them every year, to remind them not to put their foot in it, not to make mistakes, not to damage industry, and to think carefully before introducing any new tax system.

Mrs. Roche: The debate has been interesting, but new clause 11 is completely unnecessary; I shall say why.

First, the material published on Budget day contains comprehensive details of any changes in the number of taxes, tax rates, allowances and reliefs. Secondly, the Government also publish regulatory impact assessments for those measures included in the Budget that have compliance implications for businesses. Thirdly, the Government are committed to simplifying the administration of the tax system wherever possible. We are also looking to improve the administration of taxes and to restrict compliance burdens—for example, by introducing the new Small Business Service.

Including the new clause in the Bill would therefore add nothing. Indeed, it would be unnecessary regulation. The Treasury has already set out a transparent framework within which it will work in the code for fiscal stability. That outlines the Government's commonsense approach

to managing fiscal policy in the long-term interests of the country. I therefore urge the House to reject the new clause.

Mr. Edward Davey: I take it from the number of hon. Members who are in their places tonight that the theme that is expressed in the new clause has caught the attention of the House. It is a compelling new clause and there is interest in it. There are more hon. Members in their places for this debate than there were for almost all of the previous debates during today's sitting. I am rather pleased that we have been forced to debate the new clause tonight because there have been enough Members present to listen to the serious arguments that have been advanced.

I am delighted that we have won the support of the hon. Members for Arundel and South Downs (Mr. Flight) and for South–West Hertfordshire (Mr. Page). I am grateful for their kind words. However, they should not be as surprised as they seem to be that the Liberal Democrats propose such reforms. We and our predecessor parties have a long tradition of trying to simplify the tax system and reduce bureaucracy. For example, there are also proposals to integrate income tax and national insurance contributions.

In the Minister's admirably short reply she was rather dismissive, and unnecessarily so. She said that the new clause and the proposals set out in it were unnecessary. When referring to paragraph (c), she said that the Government are committed to simplification. If they accepted the new clause, they could give some solemnity to that commitment and take on the requirement that they should report to the House on every Budget day about progress towards simplification. That is not a hugely onerous regulation. The Minister seemed to suggest that the new clause represented unnecessary regulation. The Treasury does not appear to like regulation of itself but often it likes regulation of the private sector. We are proposing a sensible regulation.

Given the lateness of the hour, however, and given the Minister's assurances that the Government will move the agenda on—I hope that that comes to fruition in next year's Budget statement—I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

Further consideration adjourned.—*[Mr. Jamieson.]*

Bill, not amended in the Committee, and as amended in the Standing Committee, to be further considered tomorrow.

CONTRACTS (RIGHTS OF THIRD PARTIES) BILL [*LORDS*]

Order for Second Reading read.

Motion made, and Question put forthwith, pursuant to Standing Order No. 90(6) (Second Reading committees), That the Bill be now read a Second time.

Question agreed to.

Bill accordingly read a Second time, and committed to a Standing Committee, pursuant to Standing Order No. 63 (Committal of Bills).

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Alan Haselhurst): With permission, I shall put together the motions relating to delegated legislation.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

Value Added Tax

That the Value Added Tax (Abolition of Zero-Rating for Tax-Free Shops) Order 1999 (S.I., 1999, No. 1642), dated 11th June 1999, a copy of which was laid before this House on 11th June, be approved.

Contracting Out

That the draft Contracting Out (Jury Summoning Functions) Order 1999, which was laid before this House on 14th June, be approved.—*[Mr. Jamieson.]*

Question agreed to.

DEREGULATION COMMITTEE

Ordered,

That Mr. Iain Coleman and Miss Geraldine Smith be discharged from the Deregulation Committee and Mr. Russell Brown and Mr. Andrew Love be added to the Committee.—*[Mr. Jamieson.]*

COMMITTEES

Mr. Deputy Speaker (Sir Alan Haselhurst): With permission, I shall put together the remaining motions relating to Committees.

Ordered,

Agriculture Committee

That Mr. John Hayes be discharged from the Agriculture Committee, and Mr. Michael Jack be added to the Committee.

Catering Committee

That Mrs. Jacqui Lait be discharged from the Catering Committee, and Mr. Michael Fabricant be added to the Committee.

Environment, Transport and Regional Affairs Committee

That Mrs. Eleanor Laing be discharged from the Environment, Transport and Regional Affairs Committee, and Miss Anne McIntosh be added to the Committee.

Foreign Affairs Committee

That Mr. Shaun Woodward be discharged from the Foreign Affairs Committee, and Sir David Madel be added to the Committee.

Health Committee

That Mr. Robert Walter be discharged from the Health Committee, and Mr. Simon Burns be added to the Committee.

SCIENCE AND TECHNOLOGY COMMITTEE

That Mrs. Jacqui Lait be discharged from the Science and Technology Committee, and Mr. Robert Jackson be added to the Committee.

TRADE AND INDUSTRY COMMITTEE

That Mr. John Bercow be discharged from the Trade and Industry Committee, and Mr. Christopher Chope be added to the Committee.

TREASURY COMMITTEE

That Sir Peter Lloyd be discharged from the Treasury Committee, and Mr. Michael Fallon be added to the Committee.—*[Mr. McWilliam, on behalf of the Committee of Selection.]*

HIV-AIDS

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Jamieson.]*

1.24 am

Dr. Gavin Strang (Edinburgh, East and Musselburgh): I am grateful for the opportunity to initiate this short debate on HIV and AIDS in the United Kingdom. HIV is the most important communicable disease in the UK. That is not my judgment, but that of the Public Health Laboratory Service Board. Since AIDS was first identified in the UK in 1981, a total of 32,200 HIV infections have been diagnosed. There have been 12,800 AIDS and HIV-related deaths, and more than 16,000 people are currently living with diagnosed HIV.

Thirteen years ago, I introduced the Bill that became the AIDS (Control) Act 1987. That Act requires health authorities to report annually about the disease—how many cases there are, and what the authorities are doing to help people with HIV-AIDS and to prevent the spread of HIV.

In introducing the Bill, I had three main objectives: first, to give us an understanding of the epidemic in each area of the United Kingdom; secondly, to tell us what health authorities and local authorities were doing on the ground, as a monitoring tool and in order that we could learn from best practice; and finally, to help ensure that there was a focus at national and local level on this terrible disease.

Much has changed since the Act went through Parliament. The profile of the disease is ever-changing. Sex between men remains the major route of transmission in the UK, but sex between men and women was the transmission route for more than a third of all newly diagnosed cases last year. The majority of those cases were acquired abroad, usually in sub-Saharan Africa.

One of the biggest successes has been in slowing the spread of HIV through intravenous drug use. Although that was once the major route of transmission in Scotland, the number of new cases of HIV transmitted by intravenous drug use has declined from 241 new diagnoses in 1986 to 25 last year. Such improvements can, however, be swiftly reversed, and indeed have been in other European countries.

There has also been tremendous progress in treatment for people with HIV and AIDS. For many years, AZT was the only drug licensed for use by people with HIV and AIDS. Now, there are several different classes of drugs that can be used in combination to prevent the onset of AIDS and to help prevent illness for people with AIDS.

These new treatments have brought their own challenges—challenges for individuals on tough drug regimes; challenges for our health services, which must cover the costs; and challenges for the significant proportion of those living with HIV who are unable to benefit from the new therapies. In addition, the success of the new treatments in prolonging life will result in significant rises in HIV prevalence, and increasing numbers of people undergoing long-term treatment.

Just as the profile of HIV-AIDs has changed, there is now a strong view among those working in the field that 12 years on, we would benefit from updating the workings

of the AIDS (Control) Act 1987. The all-party parliamentary group on AIDS concluded in its recent inquiry that the Act should be

"reformed into a more meaningful tool of accountability and audit, related to progress in implementing local strategies".

I hope that if my hon. Friend the Member for Walthamstow (Mr. Gerrard), who chairs the group, catches your eye, Mr. Deputy Speaker, and the Minister is willing, he will have a chance to take part in the debate.

I propose four changes to make the workings of the 1987 Act as relevant as possible to HIV-AIDs in the UK today. First, when the 1987 Act was going through Parliament, there were fears that people in low-prevalence areas might be identified by the press, and it was decided that where the number of cases was fewer than 10, an asterisk would be used instead.

However, the climate has changed, and it is felt that as long as confidentiality can be guaranteed, it would be useful to amend the 1987 Act to enable reports to publish the number of cases under 10, for epidemiological purposes, for the purpose of studying the allocation of resources between districts, and for the purpose of studying HIV-AIDS strategies among districts.

Secondly, the reports should include data for those resident in a health authority area, as well as those merely diagnosed or appearing for services in the area. I understand that a London local authority believed that it had just six people with HIV living in its area, but it commissioned research which revealed that 179 cases of HIV were readily identifiable as living within that authority's boundaries. The authority had been unaware of those additional people, as they had been travelling elsewhere for treatment.

Making available data by district of residence would help in compiling a more comprehensive picture of the changing nature of the disease in different areas. It would provide a more accurate basis for planning and monitoring prevention work and social service work, preventing health authorities and local authorities from having a false sense of security about the amount and type of work that they should have under way. Also, it would allow more meaningful scrutiny by interested parties of the work of local authorities and health authorities. Again, however, we must be able to guarantee confidentiality.

Thirdly, it is vital that the Government money provided to prevent the spread of HIV is spent effectively, but there are fears that HIV-AIDS funds are not being spent effectively on the people most at risk of getting HIV. It is the job of the AIDS (Control) Act reports to tell us what is being done, but there is concern that the Act and the Department of Health guidance do not do enough to ensure that health authorities account properly for their use of their HIV-AIDS funding, and that there is perhaps too much flexibility for health authorities to apply their own rules. The National AIDS Trust has said:

"The returns made under the AIDS (Control) Act are not an effective tool to promote accountability at a local or national level."

It is important that health authorities show how their prevention spending reflects the local profile of the disease. I suggest that the Act should be amended to require the reports to show total expenditure on recognised epidemiological target groups. Those groups should be identified in the Department's guidance and should be mutually exclusive. I also propose that health authorities should be required to give some evidence that what they are doing is based on good practice, setting out the evidence base on which they are acting.

Regional AIDS (Control) Act reports have not been compiled since the regional health authorities were dissolved. The Department of Health receives 100 reports from the English health authorities, which is hardly a manageable number. That does not make it easy for the Department to make optimal use of the important information in them and the bigger picture does not emerge as a result.

I propose that regional AIDS (Control) Act reports should be prepared and collated annually by the national health service regional offices. We would also benefit greatly from an annual national report from the Department of Health. Such a report, perhaps from the Secretary of State, would give us an extremely valuable national overview of HIV-AIDS prevention, treatment and care work. I should add that that is a devolved matter, although surely the four nations of the United Kingdom should learn from one another.

The Government's decision to initiate a national HIV-AIDS strategy has been welcomed in every quarter, and I welcome the announcement of the steering group to take it forward. In her reply to my letter to my right hon. Friend the Secretary of State for Health setting out these proposals for changes to the AIDS (Control) Act, my right hon. Friend the Minister for Public Health suggested that they should be considered by the steering group. I am happy for it to do so and should be grateful if, in the meantime, my hon. Friend the Minister of State would share his preliminary views with us.

The apocalyptic predictions of the mid-1980s have not come true. When I introduced the AIDS (Control) Act, there was talk of the AIDS time bomb, Edinburgh was dubbed the AIDS capital of Europe and Government reports warned that Britain could have more than 30,000 AIDS cases by 1992. Compared with other European countries, the United Kingdom has done relatively well in dealing with the disease, but complacency about HIV would be a terrible mistake.

There is a danger that people think that HIV is not a threat any more, or that it does not matter if they get it because drugs can help, but HIV is as great a risk as it ever was. There are still 2,500 new diagnoses of infection every year. Given the information we now have about how the disease is transmitted, I hope that my hon. Friend agrees that that figure is still too high. In addition, the new treatments can be tough to take and some people cannot take the drugs at all.

It is vital that the Government money provided to prevent the spread of HIV is spent effectively and, 12 years on, it is time to bring the AIDS (Control) Act up to date. I have proposed changes to give us better accountability, better information and better vision. I look forward to hearing what my hon. Friend the Minister has to say.

1.33 am

Mr. Neil Gerrard (Walthamstow): I am grateful to my right hon. Friend the Member for Edinburgh, East and Musselburgh (Dr. Strang) and to my hon. Friend the Minister for allowing me to make a brief contribution to the debate.

[Mr. Neil Gerrard]

As my right hon. Friend said, the all-party group on AIDS did a significant piece of work last year when it looked at what the UK's strategy ought to be. I want to say a few words about some of the report's conclusions and where we are a year on. I welcome the work that the Department of Health is doing and the setting up of a steering group within the Department. Its composition is important, and it is not made up simply of civil servants. Its members include people who are living with HIV, workers in the field, academics and medical experts. We need a range of expertise to be introduced. In particular, we need people who have daily experience of living with HIV.

A national strategy can make a difference, as it has in Australia, where a strategy was developed a few years ago. Some complacency has crept in, not among health professionals or the Department, but among the public and in the media, as if we are somehow immune from what is happening in the rest of the world. One need merely consider the enormous changes in eastern Europe to see that that is not so, or the fact that of the 33 million infections across the world, 60 per cent. are in Commonwealth countries. We cannot regard ourselves as immune.

HIV is a public health issue, and my right hon. Friend noted what the Public Health Laboratory Service Board has said. However, wider issues, to do with discrimination and prejudice, remain very much alive. They may not be the primary responsibility of the Department of Health—legally, they fall to other Departments—but a strategy that reaches across the board must take those issues into account.

I shall end by naming four areas that a strategy should cover. First, it should deal with treatment and care, and with the setting of minimum standards across the country. Whether a person lives in an area of high or low prevalence, he or she should be able to expect minimum standards. Services must also be culturally appropriate. In London, problems arise particularly in the African communities, and it is sometimes difficult to get in touch with people in those communities, and to make them understand and participate in available services.

The second major issue is funding. We are moving towards district-of-residence funding, as the stock-taking group at the Department of Health recommended last year, and most people agree that we should. However, we should consider how we allocate funds. This year's allocations were announced late, causing problems for health authorities and for organisations with which they contract, including service providers that are voluntary organisations. We need to ensure longer-term funding, tying together funds provided by the Department of Health, and those provided separately through local authorities and the AIDS support grant.

The third issue is prevention. Whatever we do in care and treatment, we must first consider what we can do to prevent the spread of HIV. My right hon. Friend said that we should target to ensure that money is spent on the right people—those most at risk. I hope that allocations will continue to be ring-fenced as the National AIDS Trust report suggested that some money given to health authorities for prevention work was not necessarily being used in the areas of highest need.

Finally, we need to involve people who have the virus and who live with AIDS in the development of the strategy, both locally and nationally. Through that involvement, we are more likely to get a strategy that works, and that will be able to tackle discrimination and prejudice, which affect work on prevention. Prejudice and discrimination discourage people from coming forward for testing.

I welcome the work that is being done. I hope that later this year, we shall have the first results of the working group and that the Department will embark on consultation, so that we get a strategy that addresses the problems that still need to be addressed.

1.40 am

The Minister of State, Department of Health (Mr. John Denham): I congratulate my right hon. Friend the Member for Edinburgh, East and Musselburgh (Dr. Strang) on his success in proposing this important topic for debate. I also acknowledge the contribution of my hon. Friend the Member for Walthamstow (Mr. Gerrard). They have both made an important personal contribution to this topic over the years.

The United Kingdom has fared much better than many other countries in limiting the spread of HIV infection. Over the last three years, important developments in drug therapies have led to a dramatic reduction in the number of deaths from AIDS. HIV-AIDS is now often referred to as a chronic disease rather than a disease with a rapidly fatal outcome.

As my right hon. Friend said, HIV and AIDS have not gone away. The people affected are living longer, but coupled with that is a continuing rate of new infections of between 2,500 and 3,000 each year. HIV and AIDS affect mostly young, economically active age groups. It remains an important public health issue that poses some particularly difficult challenges. For that reason, the Government have decided to develop a specific strategy for HIV-AIDS. Our plans to develop an HIV-AIDS strategy for England were contained in the Green Paper, "Our Healthier Nation." To pick up on the point made by my hon. Friend the Member for Walthamstow, we are determined that people who use or work in HIV-AIDS services will have every opportunity to make their contribution to the development of that strategy.

Early and sustained action to control the spread of HIV, such as screening of the blood supply, national health promotion campaigns, and the availability of free, open-access genito-urinary medicine clinics and needle exchanges, has contributed to the relatively low prevalence of HIV in the United Kingdom compared with some of our European neighbours. We have a good record on prevention, and we want that to continue. This year, we provided more than £53 million as a ring-fenced sum to health authorities to fund local HIV prevention activities, and centrally we provided some £5 million to carry out national HIV health promotion activities.

With regard to health service delivery of treatment and care for people with HIV and AIDS, the concentration of specialist treatment centres matches the geographical distribution of the disease. Delivery remains skewed towards London and other major cities. In the current year, we have provided £234 million to health authorities for the treatment and care of people with HIV and AIDS, and £15.5 million to local authorities for care in the community.

As I said, we continue to have 2,500 to 3,000 new infections each year. We have a high number of babies born with HIV. We need to ensure that we respond to the demand for new drugs and for common standards, that we maintain our efforts on prevention and that we ensure that we keep prevalence low. Those are some of the issues that the new strategy will tackle.

The process of developing the strategy was launched by my right hon. Friend the Minister for Public Health at a conference last October. The conference made an excellent start on the process that is now being taken forward by the steering group, which met for the first time last week. I am grateful to my right hon. and hon. Friends for their positive comments on that process. We hope that a draft document will be ready for consultation by spring next year. It will cover issues related to treatment and care and HIV testing and prevention, and it will draw on available evidence and relevant work already under way.

As for strategies for the United Kingdom, my right hon. Friend the Secretary of State for Scotland is tackling the issue, and an expert group, due to report later this year, is currently reviewing the HIV health promotion strategy in Scotland. In 1994, the Department of Health and Social Services in Northern Ireland issued a strategy for HIV and AIDS, which recognised the need for increased efforts in public education, alongside education programmes in schools and youth settings, and the need for support for those involved in this work. Such efforts are continuing.

In October 1998, the Welsh Office published the "Better Health, Better Wales" strategic framework, and work to implement the various strands of the framework is being done by expert groups. The sexual health working group has held its first meeting, and the group to develop the communicable diseases strategy is to hold its first meeting at the end of this month.

The policy context that will shape the strategy in England will include the White Papers, "The New NHS" and "Modernising Social Services", and the forthcoming White Paper, "Our Healthier Nation". We shall also wish to provide the necessary frameworks to monitor the implementation and progress of the strategy.

I want to say something about the role of the AIDS (Control) Act 1987 in the context of the HIV-AIDS strategy. My right hon. Friend was instrumental in the enactment of the legislation through his private Member's Bill some 12 years ago. I think there is no doubt that that legislation laid the foundations for one of the best surveillance systems in Europe for HIV and AIDS, and successive Governments have been able to build on it over the past decade. The Act has, uniquely, allowed the Department of Health and the NHS to build up information on service development and HIV prevention programmes undertaken by local health authorities over time throughout the country.

I am grateful for my right hon. Friend's continued interest in the matter, and for his suggestion that a review of the legislation would be timely and, perhaps, should be incorporated in HIV-AIDS strategy work. His suggestion was supported by a recommendation from the all-party parliamentary group on AIDS in its recent and very welcome parliamentary hearings report on national HIV-AIDS strategies.

I am pleased to report that the HIV-AIDS strategy steering group was satisfied that such a review would fit sensibly into its work plan. Any proposed changes in the wording of the Act and its provisions will, of course, need careful consideration, but the development of a national HIV-AIDS strategy provides an excellent opportunity to update the Act in line with changes that have taken place in the epidemic, and in the provision of services. The Act provides for the submission of annual reports by health authorities on epidemiology, and on the use of resources for HIV-AIDS treatment and care and HIV prevention. Any changes in monitoring that are considered necessary will be indicated in the HIV-AIDS strategy document.

I recognise, and share, my right hon. Friend's wish for rapid progress. The strategy work provides the opportunity to get any review of the Act right, and I am keen that we should use it in full for that purpose.

The strategy development will also take into account developments on a number of different fronts that are of direct relevance to the formulation of the new strategy. Earlier this year, the Government announced their intention of drawing up an integrated strategy for the whole of sexual and reproductive health, with the aim of joining services and health promotion messages when that is relevant. We have known for some time that the presence of other sexually transmitted diseases can influence the spread of HIV, and it makes sense to link some health promotion messages.

A key component of the overarching sexual health strategy will be the separate and complementary strategy for HIV-AIDS. The separate strategy will provide a clear focus in a difficult area where there are major cost implications for the NHS. Our priorities remain to communicate clear messages about safer sex, to focus on groups at high risk of infection, and to continue to enlist the help of community organisations in delivering our messages.

The overall framework of the sexual health strategy will include key messages from other related programmes, including those involving HIV-AIDS, which will link with the communicable diseases strategy. We will thus be "joining up" health promotion messages when it makes sense to do so, but there will be no let-up in the important targeting of messages to the groups that are most vulnerable to HIV infection. Those are gay and bisexual men, people from countries with a high prevalence of HIV, currently sub-Saharan African countries, and injecting drug users.

This country's excellent surveillance systems keep us alert to the changing epidemiology of HIV and AIDS and allow us to assess the impact on the UK population of the HIV epidemic elsewhere in the world. They also allow us to keep a close watch on groups such as injecting drug users, among whom HIV prevalence has been at a steady level for years.

The NHS budget for drug misuse has been bolstered with funding from the NHS modernisation fund. This year, £12 million has been provided to health authorities. That will rise to £20 million over the next three years to achieve the key objective of increasing participation of problem drug misusers, including prisoners, in drug treatment programmes that have a positive impact on health and crime. The Government's anti-drug strategy is expected to strengthen prevention activities for vulnerable young people, particularly with regard to injecting behaviour.

The surveillance data show that mortality due to HIV and AIDS in 1998 was a quarter of that in 1995–96. That is a direct result of the success of combination drug

[Mr. John Denham]

treatments that are delaying progress of the disease and decreasing the mortality rate. As a result, we have an increasing prevalence of HIV, which makes our HIV prevention activities even more vital.

Meanwhile, national work for African communities has produced new information resources on HIV issues for African men and women. A mass media and poster campaign and a weekly radio project are all under way. Health promotion directed at the general population to keep them alert to the seriousness of HIV, AIDS and other sexually transmitted infections has included a website and targeted work for young holiday makers. Health promotion work with gay men included a new media campaign that focused on awareness of undiagnosed HIV infection. A second conference on the community HIV and AIDS prevention strategy has taken place, which focused on HIV prevention, understanding risk and gay men with diagnosed HIV infection.

Recently, there have been activities with a direct bearing on future services for people with HIV and AIDS—for example, the published work on standards for HIV services and developing networks for HIV care in London, which we hope will be extended to the rest of the country. We believe that developing networks of services throughout the country, using published clinical guidelines and agreed standards, will be key elements in the success of our overall strategy.

Under the new arrangements, commissioning of services for HIV-AIDS and genito-urinary medicine will be commissioned at least at health authority level. The most complex level of HIV services involving the administration and monitoring of combination therapies will probably be commissioned regionally. That should ensure that a coherent package of services that is based on previous experience and expertise is developed.

As part of commissioning in the new NHS, alongside work on partnerships between health and local authorities, development of guidance on long-term service agreements is under way. The guidance will build on good joint working and the introduction of three-year contracts, where possible. Many authorities, especially in London and other cities, have long worked in consortia with their constituent boroughs to place three-year contracts with their voluntary sector partners.

The strategy will clearly have an important role in setting the framework for future services for people with HIV and AIDS. The stocktake group was asked to make recommendations for the distribution formula, taking into account current use of the budget, financial pressures generated by combination therapies and the need to preserve open access GUM services. Some of the group's work has been used in distributing part of the treatment and care allocation to health authorities this year, in line with them taking responsibility for their residents. However, the redistribution of such large amounts of money must be considered carefully and in great detail. We need to move forward at a measured pace to ensure that specialist services are not destabilised while—

The motion having been made after Ten o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at six minutes to Two o'clock.

House of Commons

Tuesday 6 July 1999

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PRIVATE BUSINESS

CITY OF LONDON (WARD ELECTIONS) BILL *(By Order)*

Order for consideration, as amended, read.

To be considered on Thursday 8 July.

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

Mental Health Services

1. **Mrs. Joan Humble** (Blackpool, North and Fleetwood): What improvements he proposes to make to the quality and provision of mental health services. [88237]

The Parliamentary Under-Secretary of State for Health (Mr. John Hutton): The Government are determined to raise both the quality and provision of mental health services. We have already set that in motion by investing significant additional resources in this financial year, and for the next two years, amounting to £700 million, and we have made mental health a clear priority for both the national health service and social services. We have initiated a thorough review of the legislation to underpin the provision of care and treatment, and we are about to publish a national service framework to address unacceptable variations in service delivery.

Mrs. Humble: May I thank my hon. Friend for that reply and welcome the additional resources to be made available for mental health? I welcome also yesterday's announcement of the Nye Bevan award for mental health services in Dewsbury. However, as I am sure my hon. Friend is aware, there are excellent mental health services in other parts of the country. In Blackpool, along the Fylde coast, there have been exciting developments in child and adolescent psychiatry. A new day centre has opened and new family support workers have been appointed.

I wish to draw to my hon. Friend's attention the difficulties that my local community trust is having in recruiting and appointing a new consultant to deal especially with child psychiatric problems. I am well aware that he has inherited from the previous Government a substantial shortfall in trained staff—

Madam Speaker: Order. A question, please.

Mrs. Humble: Can my hon. Friend offer me reassurances about the training and recruitment of staff, especially in child psychiatry, which is such an important area?

Mr. Hutton: I can certainly reassure my hon. Friend about that. I remind the House that the Government have committed £90 million over the next three years to improving the provision of child and adolescent mental health services, which have been neglected in the past and which can play an important role in improving mental health services. My hon. Friend is right to draw attention to some of the problems in recruiting staff in a specialist area. She may be reassured to know, for example, that between 1997 and 1998, there has been a nearly 8 per cent. growth in the number of consultants in the psychiatry specialty group. The numbers in general psychiatry are expected to double from about 150 to 300. We are trying to address these problems. It is important that we succeed in doing so because these services are extremely important.

Mrs. Virginia Bottomley (South-West Surrey): I think that the Minister will know how strongly I believe that additional priority should be given to mental health services. May I ask him again to look at how funding has affected the home counties? In Surrey, there is no money to recruit or employ people and there have been cuts across the board. At a time when policy soundbites are good, it is particularly dispiriting for those who are involved in the service not to have the wherewithal to embark on the necessary improvements.

Will the Minister take forward the commitment that he gave in an Adjournment debate last week to ascertain what more he could do to help Cruse Bereavement Care? This is a day when prevention will be discussed. It seems that prevention in the area of mental health can be provided by assisting the voluntary organisations that help those undergoing bereavement. There could not be a better organisation than Cruse to do that.

Mr. Hutton: I can reassure the right hon. Lady. She will know that I am meeting the chief executive of Cruse tomorrow to discuss her concerns and how the Government can better support the provision of bereavement services throughout the country. I remind the right hon. Lady that the £90 million to which I referred represents additional resources for child and adolescent mental health services, which will be distributed fairly throughout the country. I point out again to the right hon. Lady and to other Surrey Members, who raise these issues regularly with me, that both local authority social services and the national health service in Surrey have received real-terms increases in their allocations this year. At some point, the right hon. Lady might begin to acknowledge that fact.

Dr. Brian Iddon (Bolton, South-East): In Bolton, mental health providers are being used to train people who are working for the pilot new deal scheme for the disabled. Jointly with the local authority, specialist helpers

have been recruited to help people with mental health problems to get a job. Once they have obtained a job, the helpers are there to support them. Does my hon. Friend agree that joint working of this kind is the way forward for the benefit of our citizens?

Mr. Hutton: I certainly do. My hon. Friend will probably be aware that there are initiatives in the north-west to try to provide better services for people with mental health problems to assist them in getting back into work and in retaining employment. We do not intend to let people with mental health problems slip through the net. We want to provide better services to support them in employment and to help those who fall out of employment.

Waiting Times

2. **Mr. Michael Fabricant** (Lichfield): If he will make a statement on waiting times from GP referral to in-patient admission in the South Staffordshire health authority area. [88238]

The Minister of State, Department of Health (Mr. John Denham): The Department has never collected data on patients' total waiting time from general practitioner referral to in-patient admission. However, I am pleased to say that during 1998–99, in-patient waiting lists in South Staffordshire fell by 2,233. Lengthy waits of over nine months fell by 7 per cent.

Mr. Fabricant: It is not waiting lists but waiting times that count. I found out in January that patients hoping to go to the Good Hope hospital have to wait twice as long if they live in the South Staffordshire health authority area as people who live in Birmingham, for treatment for exactly the same clinical problem. I wrote to the Department of Health in January, and eventually got a reply in March from Baroness Hayman. She agreed that it was an anomaly and that it was wrong, and she stated that she had therefore asked her officials

"at the West Midlands Regional Office of the NHS Executive to meet with the Health Authorities and Trust to see if there is scope for improving waiting times".

Since then, I have heard nothing, despite writing. Surprise, surprise, I got a letter today—

Madam Speaker: Order. We have had a very bad start to questions. These are really Adjournment debates. Will the hon. Gentleman put his question to the Minister now?

Mr. Fabricant: Thank you, Madam Speaker.

The letter today stated that there would be no change. My question is this: is it morally right that someone suffering from an illness who happens to live in one postcode area has to wait twice as long to go to the same hospital as those with exactly the same complaint who live in a different postcode area? Is that right or is it wrong?

Mr. Denham: One of the things that we must tackle is the unacceptable variations in access to treatment and care, which were the legacy that we inherited from the fragmentation and divisiveness of the previous Government. May I say to the hon. Gentleman and his constituent that in drawing a comparison with Birmingham, the hon. Gentleman is drawing a comparison with one of the five best performing health authorities in the country. Birmingham has the shortest waiting times for patient treatment and the shortest lists per head of population. It should be congratulated on that. The median waiting time for in-patient treatment at the Good Hope hospital is just under 12 weeks. For South Staffordshire, it is between two and three weeks longer than that.

Dr. Liam Fox (Woodspring): When will the Minister produce the figures that matter to patients in South Staffordshire, as my hon. Friend the Member for Lichfield (Mr. Fabricant) mentioned, and publish the waiting times from referral by their GP to their actual treatment?

Mr. Denham: The reason why this Government have not collected the figures from GP referral to in-patient admission is, I believe, the same reason why the previous Government did not do so: not all GP referrals end up with an in-patient admission, so that would not provide a meaningful statistic about the health service. I remember that under the previous Government, of whom the hon. Gentleman was a member—I should have congratulated him on his new appointment—many, many people waited longer than 18 months for treatment. For nine months in a row, there have been no reports of people in the NHS having to wait for 18 months.

Dr. Fox: The constituents of my hon. Friend the Member for Lichfield (Mr. Fabricant) will have learned from the Minister what the true position is. The Government will not collect the figures because they know that they are creating waiting lists for waiting lists. When one adds the number of patients waiting to wait to the number of those actually waiting, one gets a much bigger number than the Government's fiddled figures. The Secretary of State promised to give us the figures back in September. The Minister is in charge of a health service in which junior doctors are betrayed, the British Medical Association says that morale is at an all-time low, complaints are up and confidence is down. The truth is that health is getting worse under Labour.

Mr. Denham: That is simply not true. The hon. Gentleman makes claims about fiddled waiting list figures. He knows that the only change that this Government have made in the collection and publication of waiting list data is that we publish the information far more often than the previous Government did. As waiting lists come down—and they have come down—waiting times are coming down as well.

Accident and Emergency Wards

3. **Dr. Vincent Cable** (Twickenham): What progress has been made in reducing waiting times in accident and emergency wards in London hospitals in the past two years. [88239]

The Minister of State, Department of Health (Mr. John Denham): More than £15 million is to be invested in A and E schemes across London hospitals for 26 accident and emergency departments. The money will help to ensure that long waits are tackled through the introduction of admission wards, special areas for

children, the appointment of more emergency nurse practitioners and new initiatives such as direct links with general practitioner surgeries.

Dr. Cable: Is the Minister aware of the absolutely critical situation in south-west London, particularly at the West Middlesex and Kingston hospitals, which is manifested in large numbers of overnight stays and longer waits? Although we appreciate the programme of additional works that the Government are contemplating, will he consider an emergency programme designed to increase the number of beds in the hospitals so that the accident and emergency wards do not simply become annexes to the hospitals and chronically overcrowded as a result?

Mr. Denham: I am sure that the hon. Gentleman would acknowledge that one of the A and E departments covered by the investment to which I have referred is at Kingston hospital, which will receive £2 million for accident and emergency redevelopment. That is, by some way, the largest sum for any London hospital. The way in which the accident and emergency money will be invested across London depends very much on what will make the biggest impact on the quality of service in each hospital. In four cases, X-ray facilities will be improved. In five cases, facilities such as medical assessment units or observation wards will be improved, which will reduce the waiting times for admission. In other cases, there will be additional treatment rooms or cubicles. We are taking the appropriate measures in each of the hospitals concerned to make the biggest possible impact on accident and emergency waiting times.

Mr. Philip Hammond (Runnymede and Weybridge): Does the Minister agree that matters will improve in London's accident and emergency departments only with the support and collaboration of the junior doctors who work in them round the clock? Is it not obvious from the proceedings of the British Medical Association conference this week that the Secretary of State has forfeited the confidence of junior and senior doctors? Would it not be in the best interests of the national health service in London if he were to let someone else rebuild that confidence?

Mr. Denham: I am pleased to pay tribute to junior doctors and the role that they play in our hospitals; I met them recently and we had constructive discussions. I am as anxious as they are to ensure that improvements continue to be made in their working conditions and working hours, and in the other matters that affect the conditions of their rest periods. That is a promise that we are determined to see through. My right hon. Friend has led on it since he became Secretary of State and we shall continue to honour it.

HIV Services

4. **Dr. Jenny Tonge** (Richmond Park): What steps he plans to take to encourage commissioners of HIV services to agree longer-term contracts with the voluntary sector. [88240]

The Minister for Public Health (Ms Tessa Jowell): We fully accept the importance of providing stability for voluntary sector providers of HIV services through longer-term rather than year-on-year contracts. Many authorities, especially in London and other cities, are working with consortiums to place three-year contracts with their voluntary sector providers. We welcome that. I have asked that this issue also be looked at particularly by the HIV-AIDS strategy steering group.

Dr. Tonge: That is all very well, but I am sure that the Minister agrees that voluntary organisations have played a huge part in the containment of HIV in this country. They still have an important part to play, but many of them did not know their financial situation until well into the year and they simply cannot plan. According to the curiously named Home Office document, "Compact on Relations Between Government and the Voluntary Sector", it is

"good practice to give voluntary organisations early and transparent information".

The White Paper says that annual contracts are bad practice, so when will we have action instead of pronouncements?

Ms Jowell: I pay tribute to the voluntary sector in the HIV-AIDS field; it makes a vital contribution to the care and support of people with AIDS and HIV. The HIV strategy document will be issued for consultation next spring, and we are determined to deal with the problems faced by the voluntary sector by replacing annual contracts with longer-term contracts to ensure that its work has the stability that is so important for the people whom it serves.

Health Service Investment

5. **Mr. Keith Darvill** (Upminster): What the planned level of capital investment in the national health service is over the next three years. [88241]

The Secretary of State for Health (Mr. Frank Dobson): More than £8 billion of capital investment is planned for the national health service over the next three years. Since we won the election, work has begun on 17 major new hospital projects, and more will be announced shortly.

Mr. Darvill: I thank my right hon. Friend for that reply. The planned investment will go some way towards addressing the chronic lack of capital investment in our precious asset, the national health service. Does the investment to which he referred include the new PFI-funded hospital at Oldchurch Park, Romford, recommended in the Turnberg report? What a wonderful birthday present that would be for my constituents on the 51st anniversary of the national health service.

Mr. Dobson: I do not want to anticipate any announcements that may be made tomorrow, but I think that my hon. Friend's constituency will be getting a birthday present.

Mr. Simon Hughes (Southwark, North and Bermondsey): Why do the public think that things in the NHS are not getting any better even after the Government

have been in office for two years? Many of the staff in the NHS think that things are getting worse. Is it because, for the first two years, there was no more investment than there was under the Tories? Or is it because the Government are going down the PFI route far more enthusiastically than the Tories ever did, selling off assets in the biggest privatisation in the history of the health service? In the words of the editor of this week's *British Medical Journal*, the Government are at risk of leaving the NHS as a rump service. Could that be the reason?

Mr. Dobson: The editor of the *British Medical Journal* is talking just as much claptrap as the hon. Gentleman. The hon. Gentleman should be grateful for the amount of capital that the Government have put into the services in his constituency at Guy's and St. Thomas's hospitals, where building works have already started on massive improvements in the services for the people whom he purports to represent. On top of that, we are building a new medical school.

Mr. Richard Burden (Birmingham, Northfield): Is my right hon. Friend aware that, later today, representatives of the University Hospital Birmingham NHS trust will be talking to the Birmingham group of Labour MPs about its plans and proposals for a new hospital in the south of Birmingham? Does he agree with me that, although the staff at the Queen Elizabeth and Selly Oak hospitals provide a first-class service, all too often they work in totally unsatisfactory conditions as a result of neglect during 18 years of Tory rule? There is a serious need to improve the condition of our hospital stock in south Birmingham, so it is important that the current consultation reaches a successful conclusion as quickly as possible.

Mr. Dobson: I agree that it is a disgrace that dedicated professionals in many parts of the national health service are expected to work in deplorable conditions with unreliable equipment that no other professional group would tolerate for five minutes. These problems cannot be put right immediately, but since we got in, we have started on 17 major new hospital projects and more will be announced. We are putting billions of pounds into improving existing hospitals. This year, £350 million is already earmarked for improving equipment, because it is a disgrace that staff constantly have to use equipment that goes on the blink or breaks down because it is out of date. I am glad to say that we shall also be using more than £100 million from the national lottery to provide more reliable and up-to-date equipment for cancer diagnosis and treatment.

Dr. Liam Fox (Woodspring): In assessing the funds available for capital investment in the next three years, what account has the Secretary of State taken of revenues generated under the Road Traffic (NHS) Charges Act 1999? Is it true that not a penny has so far been handed over? If it is not true, how much has been handed over?

Mr. Dobson: First, I welcome the hon. Gentleman to his new job. He is the fourth shadow Secretary of State for Health that I have faced. Hereinafter we shall refer to him as Liam IV.

Pathetic sums of money were being raised under the arrangements that we inherited from the previous Tory Government. The new system has been in operation for just two months, so we have not yet received the first quarterly report on progress. As Tories ought to know by now, generally speaking, a quarter of a year involves three months.

Dental Services

6. **Helen Jackson** (Sheffield, Hillsborough): If he will make a statement on the number of dental patients treated under the national health service each month. [88242]

The Minister of State, Department of Health (Mr. John Denham): About 3 million people in England complete a course of dental treatment in the general dental service each month. That means that more than 3 million visit NHS dentists each month, because many will visit more than once during the month.

Helen Jackson: Is my hon. Friend aware that dental practices in some areas—such as Stocksbridge, quite a large town in my constituency—have withdrawn the facility for adults to receive NHS dental treatment, and have told them to use a private contributory scheme? A filling costs £25, and an extraction £30. People are left with the choice between doing that and paying the £3 bus fare to Sheffield to obtain NHS treatment.

Has my hon. Friend any plans to enhance the role and powers of health authorities, which are very concerned about the position, so that they can intervene and offer loyalty bonuses and other incentives to practices that continue to offer NHS treatment, and, perhaps, ensure that practices do not cause patients inconvenience of this kind?

Mr. Denham: Although the number of NHS dentists has risen, as has the number of treatments carried out under the NHS, access to NHS dentistry is unsatisfactory in some parts of the country. I am aware of the problem in Stocksbridge. The Government have introduced two measures designed to enable health authorities to cope with the difficulties. The investing in dentistry scheme, which ran until April this year, will enable an extra 650,000 patients to register for NHS dental treatment, and the personal dental services schemes—of which there are many throughout the country—provide a more flexible way of allowing access to NHS dentistry. It is important for health authorities to take full advantage of those initiatives. Sheffield made no proposals under either scheme; I do not know why, but I urge my hon. Friend to encourage her health authority to make the best possible use of the Government's mechanisms to support NHS dentistry.

Mr. James Gray (North Wiltshire): Our experience in North Wiltshire is very similar to that of the hon. Member for Sheffield, Hillsborough (Helen Jackson). We had three NHS dentists when the Labour party came to power; all three have since gone out of business, and Chippenham, a prosperous town with a population of 30,000, has no NHS dentists at all.

The Minister just suggested that the investing in dentistry scheme had ended in April. That contradicts a letter that I received from him recently in reply to an application by Dr. Hazlem, who is trying to set up a new

practice in Chippenham. We were told very recently that that letter was being considered, and that the Government might well provide Dr. Hazlem with the IID funds that he had requested. Is the Minister now changing his mind, and has the IID scheme been run down?

Mr. Denham: The investing in dentistry scheme closed to new applications on 23 April, but a number of applications—including, I believe, that of the hon. Gentleman's constituent—are still being considered under that procedure. We are looking for the best ways to continue our support for NHS dentistry, and will publish an NHS dentistry strategy later this year.

Cancer Summit

7. **Dr. Ian Gibson** (Norwich, North): What progress he has made in implementing the action plan agreed at the cancer summit meeting in May. [88243]

The Secretary of State for Health (Mr. Frank Dobson): Work is under way to implement the action plan agreed at the Prime Minister's cancer summit in May. The Medical Research Council is bringing together major funders of cancer research to consider how research can be better co-ordinated. National standards and performance indicators are still being developed as part of the implementation of the Calman-Hine approach introduced by the previous Government. A director of the cancer action team will take up a post in July. We hope that, as a result of those measures, we shall ensure that the standards of diagnosis and treatment of cancer that currently apply in the best units apply in every part of the country.

Dr. Gibson: The cancer summit at Downing street clearly threw down the gauntlet in regard to tackling and improving our dreadful cancer statistics. The all-party group on cancer has issued five policy pledges, which I have here. Will my hon. Friend congratulate the Cancer Research Campaign, which today launched an anti-tobacco research and surveillance unit to chase and harry the tobacco giants as they try to flout the advertising laws? Will he ensure that no doctor has to stand in front of a patient ever again and say, "I cannot give you the drugs to cure and treat your cancer because the health authority refuses to pay for them"?

Mr. Dobson: I generally welcome the actions of the Cancer Research Campaign—even, occasionally, when it asks for more money. I certainly welcome what it is doing in relation to tobacco. Every year, the tobacco industry has to recruit 120,000 people to make up for the 120,000 who are killed by following the makers' instructions on the packets in which the tobacco companies sell the cigarettes. They usually target that effort at children because most people start smoking when they are children. Anything that we can do to counter what they have been doing is to be welcomed. There is clear evidence that, almost 20 years ago, they were looking at ways of countering the possibility that tobacco advertising might be banned.

Tobacco advertising will be banned here from December; we will be the first in Europe to ban it, of which we are proud. *[Interruption.]* Whatever the mutterings from the Conservative party, we were glad that we stopped being part of the group that obstructed the introduction of an anti-tobacco advertising directive throughout Europe. We are glad that we have led the way in banning tobacco advertising, because tobacco smoking is the principal cause of the inequalities in health among adults in this country. Seventy per cent. of the deaths of working-class people, over and above what one would expect among middle-class people, are the result of smoking.

Mrs. Marion Roe (Broxbourne): Is the Secretary of State's pledge to introduce a maximum two-week waiting time for breast cancer treatment due to be met on schedule? What representations has he received regarding the clinical necessity of such a policy?

Mr. Dobson: I do not yet have the reports, but, so far as I know, we expect the target to be met in most places; I hope that it will be met in all places. Some clinicians have doubts about the target, but others have welcomed it. We believe that it is right and proper to set those targets, particularly because women are naturally extremely perturbed if they are referred by their general practitioner for urgent examination and diagnosis by a cancer specialist when it is suspected that they may have breast cancer. We were advised by the then chief medical officer that a two-week target was reasonable.

Mr. Hilton Dawson (Lancaster and Wyre): May I congratulate my right hon. Friend again on his wisdom and intelligence in selecting the breast cancer service that is based at Royal Lancaster infirmary to be a national health service beacon? May I assure him that his judgment is sound? It is an excellent service. It will go from strength to strength, given the confidence that he and his Department have shown in it.

Mr. Dobson: I always welcome the odd compliment, as we get so much abuse—although, on reflection, I have concluded that we get far more abuse in the newspapers than we ever do in the House of Commons. As my hon. Friend knows, I was pleased to be at the new unit in Lancaster, where there was a good partnership between the clinicians, other people from the NHS, social services and the Macmillan organisation to provide a better service, which backs up the extended service that is available nearby in Preston.

Dr. Evan Harris (Oxford, West and Abingdon): As vice-chairman of the all-party group on cancer, may I reassure the Secretary of State that none of the five sensible pledges for the comprehensive cancer strategy is described as an early pledge so Liberal Democrats hope that they be may implemented. But how can the Secretary of State implement any strategy on cancer without considering staffing? Is he aware that any expansion in the breast screening programme may be held up by a shortage of qualified radiologists, who are terrified to enter a sector where they are liable to be condemned by Ministers for errors in the service? Up to half of cytology screening units have lost their quality accreditation and his Department is still sending out redundancy notices to qualified, ready-to-be-consultant gynaecologists, when women are dying as a result of inadequate gynaecological cancer services.

Mr. Dobson: I know that the hon. Gentleman is a doctor, but I noticed a quick shift in his question from radiology to obstetrics and gynaecology. Certainly I am very well aware that we do not have sufficient radiologists to do the work that we should all like to be done. *[Interruption.]* I cannot imagine why any Tory Member is yakking about that. When they were in office, not enough radiologists were taken on, trained and subsequently made consultants. We want not only to try to make maximum use of the radiologists available but to recruit and train more radiologists as soon as possible. As I said, in some cases, we want to use lottery money—in other cases, just plain NHS money—to improve diagnostic equipment and make it more reliable. That would be good for patients and staff.

The hon. Gentleman seemed to suggest that all the cancer screening incidents in which things have gone wrong have not in any way been the responsibility of some of the individuals concerned. However, even some doctors have to take responsibility in those circumstances. If the independent panels that have been established to look into those matters criticise the doctors involved, I think that I am entitled to endorse that criticism.

Mrs. Caroline Spelman (Meriden): The gimmickry of the Prime Minister's cancer summit brings no comfort to cancer sufferers denied access to modern cancer drugs such as Taxol and Tamoxifen. Will the right hon. Gentleman ensure that, as a result of the work of the National Institute for Clinical Excellence, further rationing of those drugs is prevented?

Mr. Dobson: I welcome the hon. Lady to her job. If she had asked anyone who attended the Prime Minister's cancer summit, she would know that none of them thought that it was a gimmick, and that, afterwards, they all praised it. I would rather take my cue from them than from the Tory party. I confirm that Taxol is likely to be one of the highest-priority drugs for consideration by NICE. If the institute advises that it should be rolled out across the country, rolled out it will be.

Teenage Pregnancy

8. **Shona McIsaac** (Cleethorpes): If he will make a statement on the level of teenage conception and pregnancy in the South Humber health authority area. [88244]

The Minister for Public Health (Ms Tessa Jowell): In 1997, the conception rate for under-20s in South Humber health authority area was 81 per 1,000, compared with an average for England of 61.9 per 1,000. South Humber has already identified prevention of teenage pregnancy as a local priority.

Shona McIsaac: I thank my right hon. Friend for that reply, and warmly welcome the Government's recent initiatives on tackling teenage pregnancy. However, does she acknowledge that emergency contraception plays a vital role in tackling unwanted pregnancy and in reducing abortion rates among young women? To that end, will she seriously consider making emergency contraception more widely available—as has been called for by *Cosmopolitan* magazine and the British Pregnancy Advisory Service? The harsh reality is that, for young women who have unprotected sex on a Friday or Saturday night, it is nigh on impossible to get to their doctor within 72 hours to get that prescription.

Ms Jowell: I thank my hon. Friend for her question, and her praise of the social exclusion unit's action plan to tackle teenage pregnancy. For a combination of reasons—such as low expectations, ignorance and the mixed messages on sex sent to our young people—the United Kingdom has Europe's highest teenage pregnancy rate. My hon. Friend is absolutely right that one reason why our teenage pregnancy rate is so high is the low rate of contraception use compared with that in other European countries. About 50 per cent. of young people use contraception the first time that they have sex. One of the intentions of the social exclusion unit action plan will be to ensure better access to contraception and to counselling about contraception, including emergency contraception.

Mr. Desmond Swayne (New Forest, West): Does the Minister consider that the best treatment for the condition to which the hon. Member for Cleethorpes (Shona McIsaac) has drawn attention is education and self-discipline, or does she consider that it might be treated by adding something to the water in south Humber? If she favours the former, why does her Department retain a fondness for adding something to the water to treat other conditions?

Ms Jowell: The hon. Gentleman's comments explain why the rate of teenage pregnancy under the Conservatives remained high—they believed that it had something to do with the water.

Bowel Cancer

9. **Dr. Doug Naysmith** (Bristol, North-West): What investment his Department is making in services to combat bowel cancer. [88245]

The Secretary of State for Health (Mr. Frank Dobson): To help prevent bowel cancer, £750,000 has been made available this year for pilot studies relating to diet and colorectal cancer and £1.5 million per annum over three years is funding colorectal cancer screening pilots. Since 1998, an additional £20 million has been invested in additional work force, equipment and audit processes to speed access to diagnosis and treatment of colorectal cancer and to reduce waiting times.

Dr. Naysmith: May I draw my right hon. Friend's attention to the Bristol beating bowel cancer campaign, launched earlier this year? It has two main aims: first, to raise £1.5 million for research into bowel cancer, some of which will be spent at the world-class laboratories at Bristol university headed by Professor Chris Paraskeva; and secondly, and perhaps more important, to raise the awareness of bowel cancer among the general population.

Bowel cancer is one of those cancers that is susceptible to treatment if caught early. May I draw my right hon. Friend's attention also to the fact that recent research suggests that, following treatment, the outcome can depend heavily on the affluence or poverty of the groups from which patients are drawn? Will he assure me that he will supply the resources and has a strategy to deal with that problem?

Mr. Dobson: I welcome the activities of the BBBC campaign in Bristol, which is obviously doing good work

and is exactly the sort of thing that we want to encourage. It sounds to me that it makes better use of its money than the BBC. The statement I shall make a little later today will emphasise the extent to which we want cancer to be combated by early identification and early treatment, particularly those cancers where early treatment means that people can recover entirely. That is very much to be welcomed, and I will do my best to sustain such initiatives.

Mr. David Tredinnick (Bosworth): Does the right hon. Gentleman agree that irritable bowel syndrome in children is a serious problem? What resources are the Government devoting to that? Does he agree that one method of combating bowel complaints is a restrictive diet? Are the Government looking at ways in which such diets can be employed to reduce the incidence of conditions such as irritable bowel syndrome?

Mr. Dobson: I try to be honest, and I do not know the answer to the hon. Gentleman's question about what the Government are doing about irritable bowel syndrome in children. I shall write to him as soon as I find out. Diet has a major impact on that complaint and on all sorts of bowel conditions, including cancer.

Clinical Treatment

10. **Mr. Tim Boswell** (Daventry): What steps he is taking to achieve greater geographic evenness of clinical treatment in the health service. [88246]

The Secretary of State for Health (Mr. Frank Dobson): We have introduced a number of measures to avoid the problem of the postcode providing unequal access to treatment in the NHS, which we inherited from the previous Government. One major development is the establishment of the National Institute for Clinical Excellence, which seemed to be endorsed for the first time by those on the Tory Front Bench today. It is there to provide guidance to doctors in every part of the country on the latest drugs and treatments.

Mr. Boswell: I am sure that the Secretary of State would allow a measure of autonomy to local health authorities and primary care groups in setting their local strategies and that it would be most inappropriate if he, as a politician, were to tell doctors what to do or what to prescribe. Would he nevertheless concede that, especially in relation to complex or expensive treatments, such as the prescription of beta interferon for multiple sclerosis, we really cannot accept for a moment longer than is necessary the continuing tyranny of prescription by postcode, and that people expect not merely more words about that but some effective action, whether from NICE or from himself, to ensure that it is ended as soon as possible?

Mr. Dobson: We will shortly hold consultations about the use of beta interferon, which will ultimately be considered by NICE, but, in fairness even to the previous Government, there are disputes in some parts of the country between clinicians about the appropriateness of the use of beta interferon and I do not want to poke my nose in if I can possibly avoid it.

Mr. Andrew Reed (Loughborough): I am sure that my right hon. Friend is aware that one of the most effective ways of ensuring the even geographic spread of services is to ensure that resources are spread equally around the country. Is he aware that Leicestershire health authority is still below its weighted capitation fee, and will he ensure that, over the coming years, as the new money feeds into the national health service, Leicestershire makes up the gap between the 97 per cent. that it currently receives and the 100 per cent. that we believe it deserves?

Mr. Dobson: It is our intention to move all authorities near to their established norm, and that will certainly apply in Leicestershire as well as everywhere else.

Rev. Martin Smyth (Belfast, South): The Secretary of State is to be congratulated on the moves to spread excellence around, but does he agree that treatment cannot be given if there is still ambiguity about diagnosis? Is it not time to concentrate more on the treatment of ME or chronic fatigue syndrome, which medical people in some parts of the country deny is a disease?

Mr. Dobson: This is one of those difficult matters on which there are almost savage disagreements between medical professionals not only about the possible treatment of the condition but about whether it even exists. Once again, that is best resolved by the people who at least in theory know what they are talking about, although if there are two diametrically opposed sides, one of them must be wrong. It is better for them to try to thrash these things out than for me to try to lay down the law. Secretaries of State should keep their powder dry and interfere over the availability of particular drugs only in extreme circumstances.

Testicular Cancer

11. **Jane Griffiths** (Reading, East): What measures he is taking to encourage men to examine themselves to assist early diagnosis of testicular cancer; and if he will make a statement. [88248]

The Parliamentary Under-Secretary of State for Health (Mr. John Hutton): The Government are committed to improving cancer services and we fund a number of publications emphasising the importance of a healthy life style, and giving advice on recognition of symptoms of illness, including testicular cancer. The NHS home health care guide, published in 1998, encourages men to be aware of any unusual changes and to discuss them with their doctors at an early stage. From 2000, all those with suspected cancer will be able to see a specialist within two weeks of their GP requesting an urgent appointment. Referral guidelines to help GPs to identify early symptoms of cancer are being developed to assist in the early diagnosis of all cancers.

Jane Griffiths: Does my hon. Friend agree that the lives of many women have been saved by their having been encouraged over the years to do breast self-examination and that, because the lives of men with testicular cancer—the incidence of which is doubling every 20 years—can also be saved if the diagnosis is early, men should be encouraged to examine themselves without embarrassment?

Mr. Hutton: I strongly agree. My hon. Friend will probably be aware that many of our leaflets have been

focused on younger men and that testicular cancer is the commonest cancer in men aged between 20 and 34, with about 1,000 new cases being registered each year. I am sure that she will agree that the consensus is that promoting testicular awareness is the most effective way of tackling the problem.

NHS Dentistry

13. **Charlotte Atkins** (Staffordshire, Moorlands): What initiatives his Department is pursuing to increase the availability of NHS dentistry. [88250]

The Minister of State, Department of Health (Mr. John Denham): We have already taken action to improve the availability of NHS dentistry through the investing in dentistry and the personal dental services initiatives. We are currently considering options about how best to use available resources in the future to improve the availability of NHS dentistry further. As I said earlier, we shall publish a dental strategy later this year.

Charlotte Atkins: Is my hon. Friend aware that, when the Labour Government came to power, no NHS dentist in my constituency was accepting new NHS patients? Since then, new NHS dental practices have opened in Leek and Werrington, but more must be done if we are to safeguard the dental health of our population. I welcome the initiative on an NHS dental strategy, but will my hon. Friend assure me that new and innovative ways will be studied to spread access to NHS dentistry not only to inner-city areas but to rural constituencies such as mine?

Mr. Denham: My hon. Friend is right. In north Staffordshire, eight investing in dentistry bids have been approved since the Government came to power, of which my hon. Friend mentioned two. They should give a further 23,000 patients in the area the opportunity to access NHS dental care.

My hon. Friend is also right to say that, in developing the dental strategy, we shall need to study a range of mechanisms to ensure that people can access NHS dentistry. I agree with my hon. Friend that the problem is not always greatest in inner-city areas, where the task will be to persuade more of the population to register with the dentists who are available. We will need to come up with proposals that fit a wide variety of circumstances across the country.

Mr. Ian Bruce (South Dorset): I am sure that the Minister will know that there has been a large drop in the number of people registered with NHS dentists since the Government came to power. A dental strategy must be based on people having regular check-ups, which people are not having because they are not registered with NHS dentists. What is the Minister going to do about that?

Mr. Denham: There was a drop in the number of registrations because the registration period was shortened. The people who did not re-register were those who did not visit their dentists regularly in that period. As I said earlier, the number of NHS dentists is greater than two years ago, as is the number of treatments carried out under NHS dentistry. However, we are not complacent: as I have acknowledged several times this afternoon, access to NHS dentistry is unacceptably difficult in some parts of the country. We have taken many more measures to tackle that problem than the previous Government, but I am sure that we shall need to do more.

GP Funding

14. **Mr. Chris Mullin** (Sunderland, South): What plans he has to review the funding arrangements for GPs; and if he will make a statement. [88251]

The Minister of State, Department of Health (Mr. John Denham): We have established the equity in primary care working group, whose membership includes representatives from the general practices committee of the British Medical Association, health authorities, the medical practices committee and the NHS executive. Its task is to consider the equitable distribution of work force and resources in general practice. I expect to receive its recommendations shortly.

Mr. Mullin: In so far as I understand the funding arrangements for GPs, they are ring-fenced and cannot be used to employ GPs on a salaried basis, for example. One effect of that is that places such as Sunderland—which has difficulty attracting its full quota of GPs—effectively subsidise places such as Buckinghamshire. Does my hon. Friend consider that to be satisfactory? If not, will something be done about it?

Mr. Denham: I personally have nothing at all against Buckinghamshire, but my hon. Friend raises an important point. It is not possible simply to take money notionally allocated to pay a GP under the general medical services budget and reallocate it to a different use. However, health authorities can use the personal medical pilot scheme to create positions for salaried doctors, as well as to vary, by agreement, the contractual arrangements with GPs. I know that Sunderland is keen to use that mechanism to deal with the shortage of GPs.

It is also worth stating that recruitment difficulties are not the only problem, including in Sunderland. Some GPs with large lists are reluctant to advertise for partners, for example. We need to address a range of matters with health authorities if we are to tackle the problems that my hon. Friend raises.

Mr. Stephen Dorrell (Charnwood): Might not the Minister also have referred to low rates of recruitment into general practice from among medical students? Is he satisfied with the number who go on to train as GPs, and if he is not, what will he do about it?

Mr. Denham: I am pleased that the latest national GP recruitment figures are encouraging. A 7.7 per cent. increase in GP registrars shows that many medical students see general practice as an important and fulfilling career. We shall train more medical students, and we announced nearly 800 additional places last week. I am confident that many students will go into general practice as they see our reforms putting GPs and nurses in the driving seat in the new NHS.

Private Health Care

15. **Miss Melanie Johnson** (Welwyn Hatfield): What plans he has to introduce new regulations covering private health care. [88252]

The Secretary of State for Health (Mr. Frank Dobson): On 15 June we published a consultation document, "Regulating Private and Voluntary Healthcare", in which we have proposed a new body with tough powers to regulate private hospitals and to replace the archaic system that currently treats private hospitals as nursing homes.

Miss Johnson: I welcome my right hon. Friend's reply and the consultation, which builds on work done by people such as my constituent Caroline Buckley, who lost her mother tragically under private health care, and the many bereaved and troubled relatives concerned by the state of the private health care industry. Who does my right hon. Friend believe should foot the bill for the regulation of private health care? Should it be the NHS, as the Opposition believe, or should the industry foot the bill itself?

Mr. Dobson: We propose that the private health care industry should pay the costs of its regulation, and I can safely say that we have the Treasury's wholehearted support.

Dr. Julian Lewis (New Forest, East): Will the Secretary of State consider my eight-year-old constituent, Laura Giddings, who lost her leg in the Planet Hollywood explosion and who, as I have said before, has been forced to turn to the private sector to obtain a suitable artificial limb? In drawing up new regulations for the private sector, will he consider applying to artificial limbs the criteria applied to wheelchairs so that someone who has to go to the private sector for a suitable appliance will receive the money that would have been spent on a less suitable appliance by the NHS?

Mr. Dobson: I express sympathy for the little girl and her family. The family have met my right hon. Friend the Minister for Public Health, and I am prepared to consider any arrangement that would facilitate the little girl's being able to get about as well as humanity can manage now that inhumanity has deprived her of her leg.

Mr. David Hinchliffe (Wakefield): Has my right hon. Friend been able to study the work of Dr. John Yates at Birmingham university, which proves that areas of the country with the highest number of private beds also seem to have the longest NHS waiting lists? Has he had a chance to consider that matter, and if so, what action are the Government taking?

Mr. Dobson: Yes, I have and the Select Committee on Health, which is chaired by my hon. Friend, is studying that and other matters related to the regulation of the private sector. I look forward to receiving its report and considering it along with the other representations that we receive in response to our consultation document.

Alzheimer's Disease

16. **Mr. Shaun Woodward** (Witney): What assessment he has made of the impact of the closure of Burford hospital on the treatment of Alzheimer's disease in west Oxfordshire. [88253]

The Parliamentary Under-Secretary of State for Health (Mr. John Hutton): My right hon. Friend the Secretary of State instructed officials at the south-east regional office of the NHS executive to facilitate further discussions about the proposals to reconfigure community services in Oxfordshire. While no decisions have yet been taken, should the Secretary of State decide to support the health authority's decision on the reconfiguration, the authority is committed to consider the relocation of the specialist Alzheimer's disease service that is provided at Burford community hospital.

Mr. Woodward: The Minister will be aware that this is national Alzheimer's awareness week. He will also be aware that the Secretary of State has now had nearly an entire year to consider the future of Burford community hospital. The Royal College of Nursing report on Alzheimer's found that the Burford unit was top of 75 units throughout the country in the pioneering work that it did. The report went on to say that if we are to take Alzheimer's work seriously,

"it is vital that the parent service continues at its present location."

Will the Minister take that report seriously and will he finally make a decision about Burford and allow my 750 constituents who rely on the facilities of that hospital to know that they have a secure future?

Mr. Hutton: I reassure the hon. Gentleman that we certainly take Alzheimer's disease seriously. In fact, as he will be aware, the publication of the national carers' strategy, which will help significantly the carers of people with the disease, has been widely welcomed. He will also probably be aware that, next year, the new national service framework for the NHS will be for older people. We are looking within the context of that framework to define new service models and national standards for the treatment of Alzheimer's disease. I am sure that he will welcome that.

I am afraid that I am unable to give the hon. Gentleman any of the assurances that he is seeking about the future of the hospital in his constituency. My right hon. Friend the Secretary of State is still considering those proposals in great detail, as I am sure the hon. Gentleman would want him to do. A decision will be made as soon as possible.

Public Health

3.32 pm

The Secretary of State for Health (Mr. Frank Dobson): The new White Paper which I am presenting to the House today is called "Saving Lives: Our Healthier Nation", and that is exactly what it is about. It spells out how we want to save lives by stopping people becoming ill in the first place.

We aim to save 300,000 lives by 2010 by reducing the death rate from cancer in people under 75 by at least one fifth; by reducing the death rate from coronary heart disease and stroke in people under 75 by at least two fifths; by reducing the death rate from accidents by one fifth; and by reducing the death rate from suicide by one fifth. Those are ambitious targets, which should mean that we become a healthier nation. They are bigger reductions than we suggested in the Green Paper—and unlike the Green Paper, those tough targets now apply not only to people under 65, but to people under 75.

Those targets are backed by action. On cancer, it is action against smoking, action to improve diet, action to improve screening uptake and quality, action to modernise cancer scanners and equipment, and action to improve treatment. On heart disease and strokes, again there will be action on smoking and diet and also action on blood pressure and exercise, action to cut heart attacks and action to improve rehabilitation.

However, that is only part of the story. We are not only setting tougher targets than the previous Government: we are explicitly aiming to do something quite different. Poor people are ill more often and die sooner, so we are going to tackle the inequalities in health, which grew under the previous Government.

Our policies are designed to improve most of all the health of the least healthy. The national health service has a big part to play, but our strategy requires a three-way partnership between the whole Government, local communities, families and individuals. None can succeed without the others. We reject the idea that individuals are powerless victims of their fate, but we also reject the Tory idea that individuals are entirely to blame for their own poor health.

We need to use all the means at our disposal to make it possible for everyone to lead a healthier life. Unemployment, low wages, poor housing, crime and disorder, lack of education, and environmental pollution all make people ill. The Government are taking action to tackle them. The windfall levy, opposed by both the Tories and the Liberal Democrats, provides jobs and training for young people; and 400,000 more people are now in work than when we were elected. Low pay is a health hazard, so we shall improve the health of more than 2 million people and their families through our introduction of a national minimum wage. This autumn, those families and many others will be further helped by the working families tax credit. Many thousands more will benefit from having a decent home to live in as a result of our increased investment in new and better homes for people who are badly housed at present. Improved educational standards are providing economic opportunity and pathways out of social exclusion.

The Government will play their part, but so too must communities. In some areas, whole neighbourhoods are unhealthy because of poverty, pollution, crime and disorder. We must target effort on those neighbourhoods. The most deprived areas are being helped by the extra effort and extra funding that flows from regeneration schemes, from health and education action zones, from lottery funds going into healthy living centres, from the replacement of substandard general practitioner premises, from the sure start programme for children, from the healthy schools project, and from our £96 million public health development fund.

We want to work with community organisations, local councils and health bodies to ensure that those programmes are delivered on the ground. Every health authority will have to draw up and implement a health improvement programme that identifies and meets the particular health and health care needs of its area. That is because priorities differ in different parts of the country, with different individuals and groups having different problems—for example, respiratory disease in areas of heavy industry, or formerly of heavy industry, or the higher incidence of heart disease or cancer among certain ethnic groups. Local councils, businesses and voluntary organisations will all be involved in developing and implementing those plans.

Fluoridation illustrates the new approach. The White Paper makes it clear that we will conduct an independent expert review of the safety and benefits of fluoridation. If that shows that fluoridation is beneficial, local authorities will be given new powers to require water companies to fluoridate where there is local support for doing so.

We also propose to strengthen the public health professions and to develop extended roles for health visitors, community and school nurses, and midwives. The new primary care groups will enable GPs and practice nurses to draw upon their unique relationship with patients to help to promote better health. Many of the groups are already doing that.

We want action by Government and action by communities, but that cannot be the end of the story. Individuals and families must play their part—for example, on smoking, which is the biggest single cause of avoidable death and of inequalities in health in this country. We have a twin-track strategy to stop the tobacco companies recruiting new smokers and to help existing smokers to give up the habit. Unlike the Tories, we accept the overwhelming evidence that tobacco advertising helps to get children addicted, so the Government intend to play their part by banning advertising from December. However, we also accept that individuals need help to give up smoking, which is why we are making free nicotine replacement therapy available to poor smokers who want to give up.

That is a recognition of the fact that up to now most health promotion strategies have actually widened the health gap, because the better-off have taken more notice than the worst-off. We need to develop strategies that have the most impact on the least healthy. That is one reason why the White Paper announces our decision to replace the Health Education Authority with a new hard-hitting Health Development Agency, with a much bigger role in working out and delivering the approaches that will work best.

Individuals and families can help one another. That is why we are launching a health skills programme that will give young people first-aid skills and health information; that is why we are launching our expert patients

programme to help people with chronic diseases such as asthma and diabetes better to manage their conditions. That will be good for the NHS and good for patients, as fewer complications mean better health and less demand on GPs and hospitals, with resources used to tackle the highest priorities.

The White Paper sets out long-term plans for improving the health of the nation and reducing inequalities in health. They really are long-term plans: their full benefits will show up only in a decade or more. That is the time scale involved, but it is no reason for delay. It is all the more reason for getting on with it: 300,000 lives saved, 300,000 reasons for action.

Fifty-one years ago this week, the national health service, which Nye Bevan founded, came into operation. We all benefit from the far-sightedness of that Labour Government, whose action cut inequalities in access to health care. By itself, that action could not reduce inequalities in health, but common justice requires that we do so.

Conservative Members who represent areas where people are comfortably off and pretty healthy should recognise that ours is a simple but difficult aim. We want to help to make sure that the standard of health of the people they represent in Surrey or Sutton Coldfield is shared by the people we represent in Barnsley or Bethnal Green. That is what we mean when we say that we want to end the divisions that mar our society and instead create a genuine one nation. I believe that that is what all decent people want, wherever they live and whatever their own state of health. That is why I commend the White Paper to the House.

Hon. Members: Hear, hear.

Dr. Liam Fox (Woodspring): Usually, farewell performances get a better cheer than that. The Opposition would welcome any genuine measures to improve the health of the people of the United Kingdom, but we deserved better than the right hon. Gentleman's remarks.

There are some aspects of the White Paper that we welcome. Since the publication of the Green Paper, the Secretary of State has changed the targets, but I am sorry that he has not widened them. For example, the expert patients programme he outlined for asthma and diabetes is welcome, but it is not a substitute for targets, which we wanted. Of course we need to send positive health messages to the population—lose weight, eat sensibly, exercise more and, as it says in "Ten Tips For Better Health":

"Manage stress by . . . talking things through . . . Practise safer sex"

and

"follow the Highway Code."

Those are important messages for the public, but the White Paper is heavy on gimmicks and short on substance.

Let me give one example. The section on defibrillators says:

"members of the public can use them as soon as it is clear that they are needed"

in, for example, supermarkets, railway stations and airports. How are members of the public to know when a defibrillator is needed? How will they be trained? What will any indemnity consist of—will the Government provide blanket indemnity? If the Government are truly concerned, it would be better to spend the money on improving ambulance response times.

If, as the Secretary of State said, cancer scanners are to be modernised, are more staff to be recruited to operate them and interpret the results? There is currently a shortage of both radiographers and radiologists. At a time when fully trained obstetricians and gynaecologists are being laid off, how does that give comfort to women suffering from cervical or uterine cancer? The reality does not match the rhetoric. If exercise is to be encouraged, why has sport been removed from the national curriculum for primary schools? Does the right hon. Gentleman genuinely believe that suicide rates are the best way to measure the prevalence of mental illness, and on what basis has he arrived at that judgment?

If the White Paper is big on rhetoric, it is short on facing up to the big issues. The new approach was well illustrated by the Secretary of State's remarks about fluoridation: if it is shown that fluoridation is beneficial and there is local support for it, local authorities will be given powers in that respect—but only after there has been an independent expert review. Information on fluoridation is pouring out of the Department of Health, but the Government refuse to make a decision because somebody, somewhere, might not like it. That is a cowardly and pathetic approach to public health.

Rather offensively, the Secretary of State suggested that the Conservatives had said that individuals were responsible for their own ill-health. No Conservative Member has ever suggested such a thing. However, the Government cannot solve all the nation's health problems; the right hon. Gentleman was correct to say that there must be a partnership. He said that there must be a three-way partnership between the whole of Government, local communities, families and individuals—four parties, not three. There was no mention of the medical profession, which seemed to be noticeably lacking from what he had to say—perhaps because he has alienated almost all its members in recent times.

Perhaps the worst part of the statement came at the end, with the Secretary of State's class warfare rhetoric. As a result of Conservative economic policies and his party's very large majority, many of his Back Benchers represent the constituencies that he says are very affluent and therefore need less money. His ugly soundbites will offend many inside and outside both the House and the medical profession, as well as the natural decency of many people who care about those less fortunate than themselves. Is he saying that there is massive inequality in the allocation of money in the health service on a geographical basis? Will there be a transfer of resources from the Prime Minister's beloved middle England, or is the rhetoric merely aimed at those voting for a London mayor?

Despite laudable aims, better health can be achieved only with a health care system that is working well. Faced with a system in which morale is at an all-time low, junior doctors are being betrayed. complaints against the NHS are up and patients are waiting to go on waiting lists, we have heard nothing but complacency. Health is getting worse under Labour. Although the Secretary of State is

[Dr. Liam Fox]

excelling at soundbites and photo opportunities, he has failed in his primary duty to put patients before his party politics.

Mr. Dobson: The hon. Gentleman speaks a little quicker than his predecessor, but he does not talk much more sense. The first target of his mockery was the Government's chief medical officer. I would rather stick by that distinguished doctor more than the one who has just been speaking.

In talking about people dying, the hon. Gentleman apparently upbraided me for choosing the measure of suicides. As a doctor, he ought to know that, if suicides are successful, they involve people dying. If we can reduce the number of suicides, we will reduce the number of deaths. That seems to be a reasonable proposition.

The hon. Gentleman complained that we are not getting on with fluoridation. My understanding is that the data at present available in the Department of Health are rather out of date. We want an up-to-date assessment. I have never for one minute made any secret of my view that fluoridation works and should be introduced, but in fairness to those who have what they see as legitimate doubts, it is only right and proper that we have an independent review in which people may put their point of view and we may come to sensible conclusions.

On the rest of it, it was very interesting that the hon. Gentleman never seemed to recognise that ill health is caused by unemployment, poverty, low pay, crime and disorder—that soared under the Conservative party—or poor housing. We are addressing all those matters. We are improving the NHS so that it can make a bigger and better contribution. The point that I was trying to make was that all the Government and all the country must be involved.

If the hon. Gentleman thinks that it is class war for me to suggest that I would like the people whom I represent to be as healthy as those in the constituencies of my Tory predecessors, he believes in a strange version of class war. Most decent people in his constituency, or in the Surrey constituency of one of my predecessors, would probably agree that it is a good idea for us all to be as healthy as one another, and to achieve that by raising, not lowering, standards.

Mr. David Hinchliffe (Wakefield): I warmly welcome my right hon. Friend's statement. Does he agree that for the previous Administration, public health was politically inconvenient—for the reasons that he has set out—and that as a consequence they sidelined, for example, the crucial Black report, on which we should have acted in the early 1980s and which would have delivered so much in public health to the generations who are being born today? Did they not also sideline the public health function?

I want to pick up one point on which my right hon. Friend knows I feel strongly. One thing lacking from what he said today is the restoration of the public health function to the political mainstream in local government, where it used to be, alongside housing, social services, education and environmental health. Will he consider that point, which is crucial to achieving the objectives that he has rightly set out today?

Mr. Dobson: I agree with my hon. Friend's point about the previous Government refusing to address health inequalities. Not only that—they banned the use of those words in the Department of Health, so that officials were forced to refer to variations in health because the Conservatives practised inequality but were not willing to preach it.

We appointed Sir Donald Acheson, who had been one of the previous Government's chief medical officers, to produce a report. His excellent report on various sources of inequality in health put forward many sensible propositions on how we should go about reducing those inequalities, and I am glad to say that we are getting on with that.

As my hon. Friend knows, I sympathise with his view about the disappearance of the post of medical officer of health from local government—but when we consulted, in opposition, on whether that post should be restored, local government had little enthusiasm for the idea. That is one of the reasons why we placed in the Health Act 1999 a duty on health authorities to draw up a health improvement programme to identify the health care needs of their areas. That must be done through co-operation and consultation with local government and voluntary organisations. I hope that the report and that approach will eventually have the status that the chief medical officer's report had in times gone by.

Mr. Simon Hughes (Southwark, North and Bermondsey): We very much welcome the White Paper as far as it goes, but why is it much more timid than it was originally billed to be? Are the Government yet committed to putting more resources from our national wealth into national health? Are they committed to putting more resources into public health, or will those resources come from the money allocated to the NHS? What indication is there that there will be, for example, a great programme to make sure that people do not live in badly insulated, damp flats and that local government has the money to deal with that?

Why were there 21 targets under the previous Government, but only four targets now? Why is there no target to reduce smoking? Why is there no target to reduce traffic? Above all, why is there no target to reduce health inequality, which is meant to be at the centre of the whole policy?

Will all Government policies be audited? If so, will we be given a guarantee that there will not, for example, be policies to take away benefits from single mothers, to reduce help to asylum seekers or to prevent pensions from increasing in line with national wealth, none of which can be great for health equalisation?

Did I understand the Secretary of State to say that the Health Education Authority—the one body that might be able to stand up and speak independently about what the Government are or are not doing—is to go? We want a body that can tell the Government when they are not meeting their targets and hold the Government to account. If the Government are tough on themselves, they might deliver; but if they are weak on themselves, they will let the rest of us down.

Mr. Dobson: It sticks in the gullet to listen to a Liberal Democrat say that the Government are not putting money into measures that combat ill-health, when his party voted against imposing the windfall levy on the fat-cat utilities. That money has been invested in providing jobs and

training for young people—and as the hon. Gentleman should know, the only group whose mortality and morbidity figures were increasing was young, unemployed men. We are reducing those figures, and we are doing so with money that the hon. Gentleman did not want to collect, so he cannot complain about the way in which we are spending it.

We are putting £96 million into the public health development fund.

Mr. Hughes: Is it new money?

Mr. Dobson: It is new money. It is money that was not previously intended for that purpose, so it must be new. We are putting £5 billion into building new houses and improving old houses. Much of that money is intended to make sure that houses are well insulated, and it will concentrated on families who are poor and old people who are poor. That is more money that we are spending.

Mr. Hughes: Is it new money?

Mr. Dobson: The hon. Gentleman talks about new money as though there were something different about it. It is money. It gets houses built and improved; it gets jobs for young people; and it gets all sorts of other improvements.

When talking about health, we must remember that the Tories wanted to spend only £500 million a year extra. We want to reduce inequalities, but it is sensible to measure them in particular localities. It is necessary to be a statistical freak to obtain any significant run of figures about reducing health inequalities in less than about a decade.

The hon. Gentleman should know, having burbled on about pensions, that they have increased faster than wage inflation.

Mr. Kevin Barron (Rother Valley): My right hon. Friend's statement will be welcomed by right hon. and hon. Members and by many of those who have worked in the medical profession for many years. Does he agree that the rant about the national health service from the Opposition Front Bench shows little understanding of public health? If economic and social environments lead to ill-health in certain regions and if getting rid of it is a war, it is a war that should have been fought many years ago.

Mr. Dobson: When it comes to fighting a war against poverty or one against ill health among the poor, the Tory party would only qualify for white feathers.

Mr. Stephen Dorrell (Charnwood): Is it not extraordinary that the Health Secretary can come to the House to make a statement about his future policy towards public health and spare virtually not a word for the future of the medical profession? Rather than inventing entirely spurious party political differences between the Labour party and the Tory party, should he not have devoted himself more seriously to his statutory responsibilities for the national health service on the day after Dr. Bogle accused the Government of achieving total alienation from the medical profession? Does the right hon. Gentleman remember the speeches that he used to make in opposition about how morale in the health service had reached an all-time low? That is what he and his hon. Friends used to say. Has he not used his two years in the Department of Health to prove himself wrong?

Mr. Dobson: No.

Mr. Dennis Skinner (Bolsover): Is my right hon. Friend aware that we have just about got rid of the two years of Tory spending plans, albeit that he secured a little extra money for health? We are now moving into an era where my right hon. Friend will be able to spend £21 billion over the next three years, which is about 10 times as much as the Liberals wanted and more than twice what the Tories wanted. Does he accept my opinion that he must ensure that not a penny of that money is wasted? Come the general election, when some people will be prattling on about the euro and all that crap, we should be talking about saving people's lives.

Mr. Dobson: I say to my good and hon. Friend that I hope that by the time of the next general election there will be some signs of improvement in people's health. However, we can only measure those signs locally, not nationally.

Mrs. Virginia Bottomley (South-West Surrey): The right hon. Gentleman will know that I applaud the strategy, unpopular as it often is, and difficult as it is to win battles with colleagues in delivering it. However, I ask him to look again at some of his comments. Why did his party vote against the new GP contract? It provided bonus pay for GPs in deprived areas; it paid them for the first time to screen new patients; and it gave them additional resources for hitting targets on immunisation and cancer screening. There are few practical steps that could do more to raise standards in poor areas.

Secondly, I applaud the reappearance of mental health as a target, but regret that a more sophisticated target has not been found than suicide figures. Will the right hon. Gentleman examine the effect of NHS Direct, which is starving of resources Samaritans and Saneline, which offer a practical service for people with mental health problems?

Finally, is it the right hon. Gentleman's policy to make the sick healthy by making the healthy sick? Mr. Roger Humphreys was admitted to the Royal Surrey hospital at 2.30 on Sunday. He was not found a bed on the ward until Monday night. He is 90, and he happens to live in a healthy area. People in that area feel that the Government's policy is to starve them of resources.

Mr. Dobson: We are not starving any area of resources.

Mr. Nicholas Soames (Mid-Sussex): Yes, you are.

Mr. Dobson: The craw can wait. Every part of the country is getting more money in real terms this year than last year, and that is an increase by anyone's standards.

I congratulate the right hon. Member for South-West Surrey (Mrs. Bottomley) on some of the things that she did when she was Secretary of State, but not all that many. We are devoting more resources to mental health now

[Mr. Dobson]

than have ever been devoted in the past, and we are paying great attention to that aspect. It is fairly significant that of the Nye Bevan awards that were awarded yesterday, three were for mental health projects. The overall winner—the Nye of Nyes—was also for a mental health project, because we believe that in the past mental health has not had the attention that it deserves.

It is rather foolish of the right hon. Lady to start attacking NHS Direct, which is a good service. It has worked well. When I announced its extension, it was welcomed from the Tory Front Bench, which is a fairly novel experience for me, at least. NHS Direct provides a first-class service and offers help to people with physical and mental health problems. It is not draining resources from anyone. It is providing a 24-hour nurse-led service in 40 per cent. of the country now; it will cover 60 per cent. of the country by December; and it will probably cover the whole country by this time next year. When an independent survey of satisfaction was carried out, 97 per cent. of the people contacted were satisfied.

Mr. John Gunnell (Morley and Rothwell): How will my right hon. Friend judge public opinion on fluoridation in a particular area? My family, who were brought up in New York, still benefit from the fluoridated water that they used there. I hope that we will introduce fluoridation and give the right instructions.

Mr. Dobson: Our proposal, subject to the outcome of the independent review, is that the law should be changed so that local councils conduct the process of consultation, because they have a democratic legitimacy that the local health service does not have in that respect. We would then have to sort out the form that the consultation would take in order to meet the requirements, whatever they were. Once that consultation had been carried out, and if there was a local majority, the water company serving that area would be obliged to fluoridate.

Dr. Peter Brand (Isle of Wight): I very much welcome the consultation on social inequality in the report, but I am extremely worried about the loss of the national targets. They seem to have been shoved off into some never-never land of local targets. When the Green Paper was issued, the Minister gave an undertaking that he would place the local targets, in amalgamated form, in the Library, so that we could see whether they were being met through local endeavours.

Primary care groups have been working to health improvement programmes—and no doubt setting targets—for the past two months, yet we have not seen any Government figures to indicate what targets are being set, let alone what they are trying to achieve. When will we have a statement on these matters?

Mr. Dobson: The hon. Gentleman speaks as though the "The Health of the Nation" project succeeded, but it did not. It failed. It did not make the progress that it should have done. It is our view, and that of a substantial number of people who could be described as practitioners of public health—although I accept that it is not a universal view—that it is better to have a series of local targets and to monitor progress. The health improvement programmes will include targets, they will be monitored by the NHS regions, and therefore they will be monitored nationally—

Dr. Brand: Will the targets be published?

Mr. Dobson: Yes, the targets will certainly be published. Everything is published. The health improvement programmes themselves are published and the progress reports will have to be published. That brings pressure to bear on those on whom it should be brought to bear—the local people who are supposed to be doing the job.

Ms Diane Abbott (Hackney, North and Stoke Newington): My right hon. Friend said earlier that mental health is a much-neglected area of public health. Does he agree that the mental health of black and ethnic minority people is an even more neglected area, even though a disproportionate number of black people are diagnosed as schizophrenic or are in the mental health system?

For three years, successive Health Ministers have told me that the Department is collecting figures nationally. For three years, successive Health Ministers have told me that they still do not have figures that they can make publicly available. Will my right hon. Friend take steps to ensure that his Department does what it says it has been doing for the past three years—collect figures on the number of black and ethnic minority people in the mental health system so that strategies can be developed to give the whole community the service it deserves?

Mr. Dobson: As my hon. Friend knows, I am determined to make sure that every individual and group in the country receives the proper, targeted attention they deserve, but, as she knows, one of the problems is that there are disputes about whether some black people are being diagnosed in what might be described as a racist way as suffering from mental illness, or a particular form of it, when that is not the case. We are wrestling to get statistics on which we can genuinely rely, rather than publishing statistics that we believe to be unsatisfactory and possibly misleading.

Mr. Peter Brooke (Cities of London and Westminster): Where does the thinking behind the White Paper take the Department's contribution to the debate within the Government on the future of housing benefit?

Mr. Dobson: We are involved in all debates and all discussions within Government on housing policy generally, which is the responsibility of my right hon. Friend the Deputy Prime Minister. They include all aspects of housing policy, including benefits. We are involved, and we have to try to make sure that people have homes that are safe, secure and healthy at rents that they can afford.

Mr. James Wray (Glasgow, Baillieston): Does my right hon. Friend believe that including fluoridation in the White Paper will set alarm bells ringing all over the United Kingdom? Is he aware of the moral, medical and legal aspects of fluoridation? Does he know that fluoridation breaches the Medicines Act 1968, the Water Act 1945 and the Food and Drugs (Scotland) Act 1956? No one in the medical or dental professions decided that fluoridation was good for people's health; that decision

was made by a researcher appointed by an aluminium smelting company, who decided that, because dumping its waste was costly and because that waste was attracted to teeth and bones, water should be fluoridated. That is why people get skeletal fluorosis, dental fluorosis and chronic fluorine poisoning.

For the past 20 years, the medical and dental professions have been divided equally on fluoridation of public water supplies. I hope that, following the independent review and in order to stop one holy war in which I shall certainly play a great part, we do not fluoridate water and do not breach the civil liberties of individual citizens of the United Kingdom.

Mr. Dobson: It is certainly the case that there are divisions within the medical and other related professions over the merits or otherwise of fluoridation, but it would probably be an exaggeration to say that they are evenly divided. In so far as I have looked at the most modern evidence—one of the problems is that quite a lot of the evidence is not modern—I am reasonably convinced that the benefits exceed any risks. We should consider the health of children of poor families in Birmingham and in big cities where there is not fluoridation. There is a danger that some people may be putting their principles above a great deal of pain and unpleasantness for a large number of children.

Mr. David Curry (Skipton and Ripon): Where will the dividing line be between the Health Development Agency and the Food Standards Agency in matters of nutrition? What are the implications of the statement for the Government's review of local authority standard spending assessments?

Mr. Dobson: We have made it clear that the Food Standards Agency will have some responsibility for nutrition. That is also being made clear by my colleagues on the Committee considering the Bill. The primary responsibility for nutrition will remain with the Department of Health, where it properly lies, as part of our overall programme to improve public health. We did not think that it was right to separate nutrition, as some people have suggested. Quite a few people thought that the Food Standards Agency should take on a substantial part of the Department of Health's role and virtually the whole function of the Ministry of Agriculture, Fisheries and Food, and that that role should be recreated at arm's length. We did not think that that was a sensible approach.

Mr. David Lock (Wyre Forest): I welcome the White Paper. When is the review likely to be published? I invite my right hon. Friend to take this opportunity to congratulate the water companies—through Water UK—on their responsible attitude towards the discretion that was given to them under the Water (Fluoridation) Act 1985. It proved to be hopeless in practice. The water companies, the British Medical Association and the British Dental Association did not want that provision, and the Government have said that they will remove it.

Mr. Dobson: We intend to publish a report next April. I hope that it will be then, but these matters tend to drag on, as my hon. Friend knows. The water industry wants the law to be clarified. As for most organisations, a little clarity is a great help.

Mr. John Bercow (Buckingham): Given the importance of exercise to the health of the nation, what discussions prior to the publication of the White Paper did the Secretary of State have with the Department for Culture, Media and Sport, with specific regard to the reduction in the time that is devoted in primary schools to physical education in general, and to the abolition of the compulsory requirement for team games to be played competitively after the age of 14? Furthermore, if the right hon. Gentleman believes in leading by example to show the importance of exercise and fitness—he appears to be shaking his head at that suggestion—will he take up my challenge to take me on at a game of better than five sets in lawn tennis on the assumption that I shall readily give him a 30:love start in every game?

Mr. Dobson: Apparently, the hon. Gentleman is so talented that, but for the fact that he was unable to find the time, he would have won the Wimbledon championship. One advantage of my girth is that no one ever accuses me of being part of the nanny state.

The Department for Culture, Media and Sport was involved in our discussions. In fact, when the hon. Gentleman complains that sport has been eliminated from schools, he is criticising the Government who eliminated it.

Mr. John Austin (Erith and Thamesmead): Like my hon. Friend the Member for Wakefield (Mr. Hinchliffe), I remember the days of the old medical officer of health. I welcome the statement, which has elevated public health on the political agenda, and begins to transform a national illness service into a national health service. I congratulate my right hon. Friend and the Minister for Public Health on the attention they have paid to the problems of osteoporotic fractures and the possibility of prevention. I welcome the national guidelines.

In his statement, my right hon. Friend emphasised the importance of local decision making. What attempts will be made to ensure that those important national guidelines, which will reduce the cost to the Exchequer and to the health service, as well as the cost in human suffering, are implemented locally? On his commitment to action and his reference to smoking, given that most Departments, local authorities and private employers have policies on smoking in the workplace, when will the House be dragged not into the second half of the 20th century, but into the new millennium?

Mr. Dobson: The House of Commons Commission and the House itself are responsible for what happens here, so I am cleared of all responsibility. Like everyone else, I just have my one vote.

As I said earlier, I have some sympathy with the view that it was a sad change when the role of the medical officer of health disappeared from local government, and the task was taken on by people in the third and fourth tiers of a health authority as a part-time job, when they could get around to it. By changing the law in the Health Act 1999, we have made the production and implementation of a health improvement programme part of the core of the national health service. I hope that that will elevate the function in a way in which it has not been elevated for a long time.

I pay tribute to the National Osteoporosis Society for the developments to which my hon. Friend referred.

Sir Sydney Chapman (Chipping Barnet): Is the right hon. Gentleman aware that his statement was a classic of

[Sir Sydney Chapman]

its genre? A similar statement led a former Leader of the Opposition to observe that parts of it were true and parts of it were trite, but that, unfortunately, what was true was trite and what was not trite was not true.

Let us take an example: the question of fluoridation of our public water supplies. All the research has been done, and all the evidence has been amassed. What is needed is a decision whether to insist that our public water supplies are fluoridated, or that they are not—or to leave it to someone else to make a decision. No further research is needed.

Mr. Dobson: I have considered the matter carefully, as has my right hon. Friend the Minister for Public Health. We are both in favour of fluoridation, but we recognise that a substantial amount of the research that has been done, and is in the literature, is now pretty old. We would like a review to consider the up-to-date position.

We live in a democracy. A substantial number of people do not share my views on putting fluoride in water, so I think that I—and all the rest of us—have an obligation at least to deal with any legitimate concerns expressed by those people. If we are left with plain prejudice against fluoridation, we can assess that at the end of the process; but I feel that we owe it to everyone to try to get a group with sufficient authority, status and independence to carry all sensible people with them.

Several hon. Members *rose—*

Madam Speaker: Order. We must move on.

Points of Order

4.18 pm

Mrs. Angela Browning (Tiverton and Honiton): On a point of order, Madam Speaker. Today, hon. Members on both sides of the House received a three-page critique from the Communication Workers Union on the Post Office White Paper. Given that the document has yet to be presented to the House of Commons, could you use your good offices with the Secretary of State for Trade and Industry—and not just to encourage him to bring the White Paper to the House very quickly? In the past fortnight, the Secretary of State has made four major announcements, none of them on the Floor of the House. The House would welcome an opportunity to hear from him at first hand, and to question him.

Madam Speaker: As the House knows, I feel strongly that important Government decisions should be made known to the House before being communicated to anyone outside. On the basis of the papers that the hon. Lady has given me—I am grateful to her for letting me see them—I am by no means convinced that any such impropriety has occurred in this case. As for the hon. Lady's request for statements to be made from the Government Front Bench, it is for Ministers to inform me when they are ready to do so.

Mr. Tam Dalyell (Linlithgow): On a point of order, Madam Speaker. As a now shy Scot, may I ask, in regard to a reserved matter, whether by any chance the Secretary of State for Health asked for an opportunity to answer question 36, on a United Kingdom matter—namely, the policy on retention of samples of smallpox? This is an urgent matter, in which the United Kingdom could play a major part. It would be a terrible thing, which we would rue greatly, if smallpox samples were destroyed without any being kept. Did you have any such request from the Secretary of State?

Madam Speaker: No, certainly not. Question 36 would have been dealt with had we progressed more speedily. It is very difficult for us to reach question 36, but I have to say that I am very disappointed, not just today but every day, with the lack of progress that is made at Question Time. I should like us to make better progress. I doubt that we could have reached that question, but we might have made a better stab at it if we had made better progress.

Property Letting Agents (Client Money Segregation)

4.20 pm

Mr. Howard Flight (Arundel and South Downs): I beg to move,

That leave be given to bring in a Bill to require the segregation of client monies collected by letting agents, to be held in designated client money accounts.

My Bill is to require the segregation of client money—rent and deposits from tenants—that is collected by letting agents, to be held in separate designated client money accounts. I was amazed to discover from a constituency case that that is not already the law. The position is entirely analogous to that of lawyers, stockbrokers and fund managers handling client money.

The case involved a very decent constituent who was looking after the interests of some elderly neighbours who were visiting family elsewhere. The constituent helped that couple to arrange the letting of their house. She diligently searched out a letting agent who had the Association of Residential Letting Agents cover.. The letting agent went bust in 1995, since when my constituent has been unable to recover the £1,000 owing under the ARLA bonding arrangements. Digging into the case, I discovered that part of the reason for the failure to recover is because there is no simple, clear law requiring the segregation of client money.

The Estate Agents Act 1979 set up a requirement for deposits for buying houses to be segregated when estate agents deal with deposits; the regulations to that were set out in 1981. Letting agents are regulated under the Accommodation Agencies Act 1953. That created three offences, but did not lay down a requirement to hold deposits in segregated client accounts. There was a Government consultation on the Act in 1993. In 1994, there was a parliamentary question. The then Government felt that, in principle at least, the ARLA arrangements should suffice.

The reason why ARLA has not paid out in that constituency case—it can happen quite often—is that the insurance bonding requires clear fraud to have occurred. Police rarely prosecute when letting agents go bust. A letting agent spending a client's money merely on the employment of staff is not sufficient to constitute fraud. Therefore, the ARLA bonding arrangements often do not work.

In 1998, ARLA approached the Minister for Local Government and Housing with proposals for a clear law requiring the segregation of client money into client accounts, but nothing has resulted from that. Again, it is crucial to crystallise the legal situation. The National Association of Estate Agents is particularly keen that the proposal should become law. Similarly, the Southern Private Landlords Association is keen for that to happen. Citizens advice bureaux point out the huge increase in the number of private tenants—it is up 600,000 and still rising—and to problems over recovery of deposits. They claim that there are unreasonable withholdings of some 50 per cent. of deposits. Therefore, all that is wanted is a simple law to benefit both tenants and landlords.

In October 1998, the Minister for Local Government and Housing called on landlords and agents to set up some form of pilot scheme. Candidly, it is a straightforward issue, not a pilot scheme matter. It is not even a complicated regulatory matter. Clear law, as with analogous situations, is what is wanted.

In the past two years, as the market has increased, there has been a massive increase in the number of letting agents. Analogous to that increase was the increase, in the late 1980s, in the number of estate agents. Currently, however, the lettings market is satiated, and it is often quite difficult to let property. In the next two years, it is likely that many letting agencies will fail, just as many estate agencies failed in 1990–92.

I therefore urge Ministers to deal with the matter in a timely fashion, before many innocent people—including some of my constituents—are damaged because current arrangements cannot operate efficiently without clear law on the matter. We need only simple legislation—which should be passed now—requiring segregated accounts, and arrangements analogous to those established by ARLA, stipulating that letting agents may take money from client accounts only in accordance with letting agreements, such as to cover their own bills, as specified.

Question put and agreed to.

Bill ordered to be brought in by Mr. Howard Flight, Mr. Peter Viggers, Mr. Graham Brady, Miss Julie Kirkbride, Mr. Andrew Tyrie, Mr. John Bercow, Mr. Christopher Fraser and Mrs. Marion Roe.

PROPERTY LETTING AGENTS (CLIENT MONEY SEGREGATION)

Mr. Howard Flight accordingly presented a Bill to require the segregation of client monies collected by letting agents, to be held in designated client money accounts: And the same was read the First time; and ordered to be read a Second time on Friday 23 July, and to be printed [Bill 132].

Orders of the Day

Finance Bill

Not amended in the Committee and as amended in the Standing Committee, further considered.

Clause 2

RATES OF DUTY AND REBATE ON HYDROCARBON OIL

4.27 pm

Mr. David Heathcoat-Amory (Wells): I beg to move amendment No. 40, in page 1, line 24, leave out '£0.5288', and insert '£0.499'.

Madam Speaker: With this, it will be convenient to discuss the following amendments: No. 41, in page 1, line 26, leave out '£0.4721', and insert '£0.4355'.

No. 42, in page 2, line 2, leave out '£0.5021', and insert '£0.4557'.

Mr. Heathcoat-Amory: The amendments seek to bring the massive increase in road fuel taxes back into line with the retail price index. Since the general election, the Government have increased the rate of annual increase in road fuel tax—the so-called escalator—from 5 per cent. above the rate of inflation to 6 per cent. above the rate of inflation. Additionally, they have sneaked in an extra Budget, and a further increase. Moreover, they have loaded further increases on to some fuels, above what one might have assumed to be the 6 per cent. limit.

Diesel fuel has been singled out. This year, VAT on diesel has been increased not by 6 per cent., but, in cash terms, by almost 12 per cent. That increase, in a single year, is simply staggering. It is a tremendous and enduring burden for all those driving diesel cars and, most particularly, for the road haulage industry, which relies almost entirely on diesel fuel.

The Government have replaced the environmental justification for fuel taxation—which does exist at lower levels and for more moderate increases—by a crude tax and cash grab. It is part of the relentless increase in business and personal taxation that we have seen in the past three Budgets. Annually, fuel duties now net a staggering £25 billion, and that is rising steeply.

The Government have ceased even to attempt to justify that huge annual tax escalator on environmental grounds. In the Budget debates, we asked Ministers how they justified the increase on grounds of global warming, or otherwise, but they simply backed away from the issue entirely. I am not surprised, because the Government's own publication on climate change shows that this is a ridiculously expensive and inefficient way of achieving moderate reductions in carbon dioxide emissions. Compared with other reductions which are attainable in the domestic sector and other business sectors, this is not the right way to go about reducing carbon dioxide. The same reductions could be achieved at a fraction of the cost.

Most remarkably, the Government seem entirely unaware of the scale of the increases that they have put through. The Chief Secretary told the House on 21 April:

"The truth is that the price of a litre of diesel has risen by 7p since the general election."—[*Official Report*, 21 April 1999; Vol. 329, c. 929.]

It was immediately pointed out that the Automobile Association had calculated that the increase in diesel prices since the election was not 7p, but more than 13p a litre—nearly twice what the Chief Secretary had admitted to.

The figure was checked by "Energy Trends", an official index of the energy sector, and the House of Commons Library helpfully confirmed that the figure of 13p a litre was correct. The Library confirmed also that it had no idea how the Chief Secretary had calculated his figure.

We took this matter up with the Chief Secretary, but he failed or refused to admit his error, until a parliamentary answer from the ever-helpful Economic Secretary referred to the correct figure and the right source. It is now confirmed by the Treasury that the price of diesel rose between the election and that April date by 13p a litre.

In a sense, it does not matter that it took so long for the Government to admit the truth, because everyone else knew the truth. Motorists, particularly rural motorists, all knew the truth. Ministers in their Government cars may be insulated from the increases. They do not have to fill up their own tanks, and they are becoming increasingly out of touch with the needs of motorists, particularly those in isolated areas. Now, about 85 per cent. of the cost of fuel is represented by taxation. A forecourt or petrol station is now a massive tax office for the Government.

It is not just the private motorist who knows the truth and must bear the daily burden—the road haulage industry knows it. The industry warned the Government before the Budget. Its representatives gave the Government the facts and figures, explained their case with great patience and showed the Government that the industry would be made uncompetitive in European terms by the annual increase. Their case was dismissed and entirely ignored by the Government.

We now have the most expensive diesel in Europe, with a cost that is far higher than our continental neighbours. There is no way that the haulage industry can avoid this tax. Lorries do not drive around for fun, and there is no way in which they can avoid using diesel or avoid the tax. The haulage industry either has to absorb this extra tax burden, or pass it on. The burden is enormous. Nearly a third of the costs of running a heavy goods vehicle is represented by fuel costs. If a company has to absorb those costs, it could be put out of business—or certainly be made uncompetitive. If it passes on the costs, that raises the price of all goods which must be transported by road.

Yet the Government say that they are in favour of industrial competitiveness. They have had seminars and meetings to lecture industry about the benefits of American-style management, competition and productivity. If that is their message, they could start by giving us American fuel tax levels.

Mr. Christopher Leslie (Shipley): Is the right hon. Gentleman making a pledge that the Conservative party

manifesto for the next general election will include the aim to work towards reducing fuel duty to American levels?

Mr. Heathcoat-Amory: I am making the point that if the Government are so keen on American business practices they should start introducing some American-style costs. The European Union has to put up with the spectacle of the Prime Minister telling it to adopt American business regulation, or the lack of it, while at the same time he is converging on European costs or, as in the case of fuel duties, increasing them above European levels. As usual with him, it is very much a case of, Do as "I say, not as I do". Our pledge to the British people is to get off the fuel escalator, which is damaging and uncompetitive.

It is crass hypocrisy for the Government to talk about competitiveness and productivity while undermining them through their tax policies. It is the economics of the madhouse. There was a time when the Labour party knew something about industry, but these days very few Labour Back Benchers know anything about manufacturing. I do not think that a single Treasury Minister has ever had hands-on experience of that sector, so perhaps we should not be surprised at Ministers' not understanding the case put to them by the haulage industry, but that does not entirely excuse them.

The Government are penalising the industry not only by higher fuel taxes but by higher vehicle excise duty. Anyone can understand that raising British vehicle excise duty to make it not only the highest, but almost twice as high as the next highest in Europe, is tantamount to delivering a body blow to the industry.

For the 40-tonne articulated lorry—the workhorse of international haulage—our hauliers have to pay £5,750 a year. The figure for France is £486; for Italy, £634; and for the Netherlands, £670. The duty that the Government have imposed on the industry, in addition to the fuel escalator, is staggeringly higher.

The forum with which the industry was fobbed off at the time of the Budget has met only once, and despite what the Government said, there is no independent study on which we can rely to give an accurate comparison of costs here and on the continent.

It is wrong to say that no one will benefit from the Government's road tax policy, however: foreign hauliers certainly will. About 1 million foreign lorries will visit the United Kingdom this year and their operators cannot believe their luck. They are puzzled, amazed and in many ways delighted at the spectacle of a United Kingdom Government who are signed up to a code of conduct on unfair tax competition but create unfair competition against one of their own industries. They have created and are widening a gap that renders the British road haulage industry uncompetitive in Europe.

Mr. John Bercow (Buckingham): Does my right hon. Friend agree that in describing the Government's policies on these matters as "crackpot, cock-eyed and ridiculous" on 19 March 1999, the president of the Freight Transport Association, Mr. Lawrence Christensen, might conceivably have been guilty of understatement?

Mr. Heathcoat-Amory: Yes. The gentleman concerned was in fact being rather restrained: he is a great deal ruder about the Government in private. I am sure that he will return to the subject next year if the Government persist with this lunatic tax policy, which is rendering an important British industry uncompetitive in the way that I have described.

I said that several people and sectors will benefit from the policy. I mentioned foreign hauliers, but we must not overlook foreign Treasuries. The Treasuries of France and Belgium, in particular, are massive beneficiaries, as British lorries go overseas to fill up with foreign diesel. When they make trips abroad, drivers leave the United Kingdom with empty tanks and fill up on the continent. Before they return to this country, they make sure that they fill up at foreign ports. There are five haulage firms of significant size in my constituency, one of which is Frampton's. Mr. Frampton tells me that more than half his diesel is now purchased abroad. That is a huge and continuing drain on the British Exchequer, but the Government either are unaware of it, or do not care about it.

Another group to benefit from the policy are the smugglers in Northern Ireland. The Province has a land border with another EU member state, so smugglers do not have to take a trip by ferry or the channel tunnel to reach it: they need only drive across the border and fill up their tanks. The association representing petrol retailers has estimated that the Government lose about £100 million a year through the smuggling of diesel and other fuels across that land border.

The Inland Revenue has not produced an estimate of the amount lost through that smuggling. I have asked the Government to make a stab at an estimate and to do something about what is a real problem, but to no effect. Given that much of the smuggling is done by paramilitaries, it is odd that the Government's tax policy should put illegal funds in their hands.

It has been reported that the Government are having second thoughts about the fuel escalator. Trailing changes of policy in the press instead of announcing them to the House is not unusual for the Government, but I hope that the Economic Secretary, when she replies to the debate, will confirm that the Government have changed their mind. That would be welcome, but it would be too late for many haulage firms. However, the House would have something to celebrate if the Government were to repent, even at this late stage.

Another fiasco is developing for next year—the possibility of a climate change tax. That threatens to do to the rest of industry what the fuel tax escalator has done to the haulage industry. Perhaps the Government have decided to attack only one sector of industry at a time, and will drop the fuel escalator to concentrate damage, through the climate change tax, on the rest of manufacturing industry.

The House would benefit from an explanation of the Government's intentions. One supposed virtue of the tax escalator has always been that it gives industry some warning of changes to duties and that car manufacturers and others can plan design and production. If the Government are having a rethink, as reported in the press, it should be made explicit and clear.

In anticipation of the Government's belated change of heart, we have tabled amendments to this year's Finance Bill to end the fuel tax escalator. The destruction of the haulage industry and the campaign against the private

[Mr. Heathcoat-Amory]

motorist—carried out under a bogus environmental justification—have gone on too long. The amendments would end that process, and I invite the House to support them.

4.45 pm

Mr. Stephen Dorrell (Charnwood): I support the amendment, and I agree with every word that my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) said about the way in which the Government have introduced their road fuel duty policy and its perverse effect on the environment and competitiveness.

Like my right hon. Friend, I seek from the Economic Secretary to the Treasury a clear statement of the Government's policy but I think that matters are even worse than he suggested. There is press speculation, presumably stimulated by loose talk in the Treasury, that the Government are rethinking their unpopular policy, but the Economic Secretary, at Treasury questions on 13 May, implied not that the policy was being rethought but that the Government intended to pursue it until 2010 if they were re-elected often enough. The price of unleaded petrol would then reach £6.90 a gallon, and diesel would be more than £7. Is that the Government's policy? Are we on an escalator from which there is no exit for a further 11 years if the electorate continue to elect the Government? Or should we believe the press speculation?

The Economic Secretary's first duty as a tax Minister is to set out clearly the Government's policy. The policy as last expounded by the Chancellor of the Exchequer—a commitment to the 6 per cent. ratchet—is misguided. It sits badly, to put it no stronger, with the implication that the Government want to reduce the tax burden, an impression that various Ministers, from the Prime Minister down, create, and that was the reason for the income tax rate cut on Budget day. The Government's rhetoric is about low tax, but they are piling on tax by stealth as fast as they dare in parts of the economy that they hope the public will not recognise or in ways that the public will tolerate without too much noise.

The Government's approach to taxation of petrol and diesel is a perfect example of stealth tax. The tax is deniable, and it need not be justified year after year because it has been pre-announced. The Government clothe themselves in the garments of tax cutting, but they have made a clear commitment to increasing the burden of taxation paid year after year by a section of the community. That is objectionable.

Mr. Leslie: As the right hon. Gentleman is talking of matters deniable, can he deny that he was in the Cabinet when the fuel duty escalator was his Government's policy? How does he reconcile the previous Government's view with his statements today?

Mr. Dorrell: I find no difficulty in reconciling the two things. To be on an escalator is not to deny the possibility of getting off. We announced a series of tax measures, but, in the present circumstances, we believe that the process has gone far enough, and I have no difficulty whatever in saying so. Presumably, the person who has gently speculated to the press that the Government may rethink the proposal equally finds no such difficulty.

My first objection to the Government's policy is that it relentlessly increases taxation on identified sections of the community. Secondly, it reveals a deep-seated prejudice against car ownership that runs right through the Government. I am not opposed to public transport, but I am vehemently against those who oppose in principle the development of private transport.

The motor car has been a huge source of wealth creation for those who build and sell cars and a huge source of freedom for those whose horizons have been widened by its flexibility. Surely the challenge to policy makers is not to dress the motor car up as a public enemy, but, through tax and regulation, to create circumstances that make it a good neighbour.

I do not understand how relentless increases in the tax on fuel redeem the obligation that rests on the Government. It is a form of intellectual slovenliness on the part of Ministers to think, "We can pander to a prejudice against the car" and that it is somehow a cost-free option. Ministers owe it to the House to be more direct and analytical and to discharge their responsibilities more seriously.

The third and perhaps the most immediate reason why I object to the Government's policy on road fuel duties is the reason that my right hon. Friend the shadow Chief Secretary emphasised in his remarks—the effect that the policy is having on the competitiveness of the British road haulage industry and of wider British industry as well. In that connection, I should probably declare an interest as a director and shareholder in a manufacturing business. The manufacturing sector perked up during my right hon. Friend's speech. It is true that all manufacturing businesses rely, at least to some degree, on the haulage sector, and I therefore have an indirect interest in the issue.

The tax policies that the Government are pursuing mean that every British road haulier is at a gradually increasing disadvantage compared with continental competitors. Year after year, the Government are creating a set of circumstances in which there is an increasing incentive for British hauliers to tank up and, in some cases, to register their vehicles overseas. Continental hauliers increasingly have the opportunity to undercut their British counterparts on journeys that involve transport between one British destination and another.

The British road haulage industry is being crucified by the Government's hostility to road transport and the use of the road vehicle is a key part of the British economy. Beyond that, it is not merely the road haulage industry but all those parts of British industry that rely on the transport of goods that are affected. In a modern economy, the link between one part of the supply chain and another is a key cost element in the build-up of total costs that is charged to the eventual consumer.

When the Government increase the cost of haulage between one plant and another within the United Kingdom, they put up not only the cost to British consumers but the price that the producer has to charge in Britain and abroad to compete against foreign competitors. It is not merely the competitiveness of the road haulage industry that is being undermined. The policy is an important source of lack of competitiveness throughout British industry and the Government are solely responsible. Therefore, it is incumbent on Ministers to explain to the House what greater good is being achieved

by that relentless and increasing burden on not only the road haulage industry but the whole fabric of British industry.

Mr. Michael Fabricant (Lichfield): Surely the answer to the question, "What is being achieved?" is that the Government can add taxes by subterfuge. If they tax through the Inland Revenue, the voter feels it. By doing it this way, they have achieved tax increases by stealth.

Mr. Dorrell: That is why I said earlier that I object to the policy as it is an increase in the tax burden that allows the Government, year by year, to deny that it is a tax increase brought about by the Budget, as they did in this year's Red Book. In a narrow technical sense, they are right. It was not a tax increase brought about by the Budget, because it was previously announced. However, it means that the tables in the Red Book are misleading, if they are intended to show a change in the tax burden from one tax year to another.

Mr. Bercow: Does my right hon. Friend think that, on 23 January 1995, when the hon. Member for Bristol, South (Dawn Primarolo), now the Paymaster General, complained in the Finance Bill Committee that 75 per cent. of the cost of a gallon of petrol or of diesel was accounted for by tax, it would have been helpful if she had explained that her intention, on becoming a Minister, was to increase the percentage to 85?

Mr. Dorrell: My hon. Friend makes his own point; it is a good one, and might be developed if, in response to the debate, the Economic Secretary were to set out clearly the Government's long-term intention for the escalator. The 85 per cent. to which my hon. Friend refers applies only at present. How much further is the policy to be pursued before we reach Ministers' objective?

Before I conclude my remarks, I want to mention the broader impact of the Euro-argument—to use that shorthand. We discussed that issue in Standing Committee, to the great merriment of Labour Members, who felt that those of us who favour active and positive involvement in Europe would find it difficult to engage in the debate. However, the issue clearly illustrates the principle of tax competition that should underlie our tax policy—indeed, it would be difficult to think of a better illustration. What is at stake is the use of the tax system to seek competitive advantage for this country vis-a-vis our continental neighbours.

The Government are busy making Britain uncompetitive, while a competition is taking place to which they are not responding. I believe in tax competition and that is why I think the Government should examine what their competitors elsewhere in Europe are doing; they should respond to that competitive pressure—it should apply to Governments just as it applies to everyone else in the economy.

One of the great benefits of an open liberal economy is that Governments—like every other agent—should be responsive, and should be subject to competitive pressure. The Government are answerable to a competitive marketplace, but they are not responding to the pressures exerted by that marketplace. Until they respond, our economy and those who work in it will carry a heavier and heavier burden; they will pay for the Government's inflexibility with their jobs and their living standards.

Dr. Vincent Cable (Twickenham): I shall speak about the broad principles of the escalator. Yesterday, the Liberal Democrats supported several Conservative amendments. The amendments were well made and well argued; we agreed with them on their merits. However, these amendments are opportunistic and cynical in the extreme. I fully intend to support the Government on the principle of the escalator. Some genuine problems have been raised—such as the international competitiveness of the road haulage industry—to which genuine solutions were proposed in Committee and during our debates in this place. I should be interested to know how far the discussions on the Brit disc proposal have advanced.

Before I get into the meat of the subject, perhaps I can tempt Ministers to tell us more about the press reports—especially the story by Messrs Brown and Grice in *The Independent*. I always read Messrs Brown and Grice, because they seem to have several days' advance notice of Treasury thinking—especially the Chancellor's thinking. By reading their column, one has been able to follow the debate on economic and monetary union several days ahead of public pronouncement. Their suggestions are more than interesting. They seem to suggest that the Government are considering withdrawing the escalator—by which I think they mean the petrol rather than the diesel escalator—and replacing it, in its environmental impact, by a series of congestion charges to be levied by local authorities. That might represent a considerable advance in policy, but I do not know that for sure, because I have not seen the details. I can see that such a policy has both positive and negative implications, but let us first think a little about the positive aspects.

5 pm

Such a regime would be far more targeted than the escalator. If the rumours are true, levies would fall most heavily on areas where congestion is worst. Instead of farmers or rural families in Caithness and Sutherland having to pay much higher petrol duty, the levies would fall most heavily on congested cities, which is where most pollution is generated and where there are extra social costs resulting from congestion. Therefore, the policy would appear to be sensible.

Another positive aspect would be that the Government had adopted an approach of decentralisation, as local authorities, especially the new mayors, would be able to make their own judgments. The reports also appear to suggest, although we do not know the details, that the Government are now committed fully to the principle of hypothecating revenue from taxation on transport. Yields from the congestion taxes would be fed back into either reduced vehicle excise duty or improved public transport.

All those would be positive developments, but we cannot have an intelligent debate until we know the details of the proposals. It could be—I suspect that it is—that the Chancellor is trailing a backdown from the whole principle of environmental taxation generally. We have already seen that trend in the abandonment of the policy of shifting from gas to coal, and the proposals might herald a continuation of it. Even if we get the information a little later than Brown and Grice, we would like to hear more from Ministers about where their thinking is leading.

[Dr. Vincent Cable]

Let me address a few comments to the Conservatives. My belief that their amendments are rather opportunistic is based on two reasons. First, there are the revenue implications of their proposal. As I understand it, the escalator is worth roughly £1.5 billion a year, which is a substantial sum. It is incumbent on those who attack the escalator and so break the cross-party consensus on its use to explain clearly and precisely how else that sum can be funded.

Secondly, and following on from that point, if the Conservatives want to lead opinion away from the concept of the escalator—which they promoted in office, with the support of the Liberal Democrats and the then Labour Opposition—do they intend to embrace the new philosophy, which the Government appear to be considering, of having road user charges? Support for the use of congestion taxes would seem to be compatible with the Conservatives' overall philosophy. Right-wing think tanks such as the Institute of Economic Affairs and the Social Market Foundation have long argued that such measures are the right way to deal with the problem, so will the Conservatives support their use? If would be helpful to all parties if we knew that, in London, controversial new taxes to deal with the problem would command all-party support.

If the Conservatives are leading us away from the escalator, what alternatives do they propose? To make that point slightly more general, if we do not have an escalator, how is the problem of pollution to be dealt with? There are two options, of which the first is to do nothing.

Mr. Tim Loughton (East Worthing and Shoreham): I am following the hon. Gentleman's arguments with great interest. Can he explain how congestion taxes would affect freight drivers, who have to be in the centre of towns rather than in the highlands of Scotland because that is where their customers are and where they have to deliver goods to shops and factories? How would the introduction of congestion charges help them, as opposed to removing the absurdly high escalator on diesel fuel?

Dr. Cable: That is a good question. However, since we do not know whether the Chancellor's new thinking focuses on petrol duty, the diesel escalator, or both, I cannot answer it. The hon. Gentleman is quite right to say that the road haulage sector faces a set of problems that are completely different from that facing urban commuters, against whom congestion charging is primarily directed. We need to know where the Government's new thinking is leading.

To return to my basic theme, my justification for the escalator is twofold. First, it is a market-friendly way of changing policy. It sends a signal to consumers—whether road hauliers or motorists—and to industry that they should change their behaviour. It is a price signal; it is an economically efficient way of changing behaviour.

The other basic reason why the escalators—whether on road haulage or motorists—are justified is the simple "polluter pays" principle. Pollution is generated, particularly by road haulage. Most of the studies that I have seen suggest that the road haulage industry pays nothing like the social costs of its activities, which are extremely great, both in damage to the carriageway system, especially by very heavy lorries, and in emissions, particularly of black smoke. I think that the industry accounts for about 40 per cent. of that particularly lethal emission. Social costs will not be covered unless there is a proper system of environmental taxation, which the escalator provides.

Mr. Bercow: The hon. Gentleman said a few moments ago that the escalator was a sensible, market-friendly way of seeking to change behaviour. Does he accept that, in order for it to be such a mechanism, it is necessary for consumers to be able to choose from other products—if I may use the word broadly—that are capable of being purchased in the market? If, however, there is no credible alternative, as the Paymaster General poignantly observed on 23 January 1995 in saying that most motorists in rural areas were dependent on their cars, surely the hon. Gentleman's point about the market does not apply.

Dr. Cable: The hon. Gentleman is of course exactly right: there must be an alternative. That is why I am hoping that the principle of hypothecation will emerge from new Government thinking and revenues will be returned to improve public transport, which I think meets his point. Of course, some money that goes to the Treasury comes back in order to improve provision, but the sums that have recently been allocated to rural public transport are derisory in relation to the revenue raised from it.

The other question to which the hon. Gentleman's remarks give rise is, this if we do not have a market mechanism such as taxation or congestion charges, what else can we do to change behaviour? One may do absolutely nothing, which may be what will happen. I do not know whether the Opposition are advocating merely letting taxes stagnate and trend motoring rise above the predicted rate, allowing all the pollution and greater congestion to flow from it. There is a laissez-faire solution: let us just see what happens. I hope that that would be unacceptable to most of us on environmental and broader social grounds.

Another approach is to use not the market but regulation. Instead of imposing higher taxes, we could force the motor industry to improve the standards of cars. In many respects, that is happening, and it could happen much more. I came to this House from the energy industry, in which we spent much time thinking about the future of the so-called supercar—cars built from very light materials, with much improved battery systems, fly-wheels and better engines. Enormous improvements could be made to reduce emissions and meet environmental objectives. Through regulation, the industry could be forced to advance production of such models. Of course, there is potentially a very large cost for such regulation, for which somebody must pay—probably not the industry, since it will pass the cost on to consumers.

If we want to achieve environmental objectives, we must do so either through market signals, which are taxation or congestion charges, or through regulation, for which someone must pay—or we do absolutely nothing. If the consensus between the three parties is to be broken, it is incumbent on all of us to make it absolutely clear which of those choices we will follow.

Mr. John Swinney (North Tayside): The hon. Member for Twickenham (Dr. Cable) made an interesting

contribution to the debate, as he did the last time that we discussed this issue on the Floor of the House in April. I am somewhat surprised and perplexed by the reasoning behind his intention to support the Government because, in April, the Liberal Democrats voted against clause 2 stand part.

When I sit in my constituency surgery, I am often aware—I suspect that I am not alone in this—that I never know what is coming when the next person steps through the door. However, when fuel taxation is being debated in the House, one knows what is coming next. In the short time for which I have been a Member, the issue has come before the House three times, in the three Budget rounds since the 1997 election. However, it is important that we consider it again today.

The difficulty in such a debate—on this point, I have some sympathy with the hon. Member for Twickenham—is that there is a slight whiff of hypocrisy about much of what is said by Conservative Members, because they invented the fuel duty escalator and applied it with vigour during their time in office. They managed to teach this Government another important trick—to tax by stealth. All the arguments that the Government use to hide behind a claim that they are lowering direct taxation while they increase indirect taxation, of which the fuel duty escalator is a strong and powerful example, were taught to them by the previous Conservative Government and their predecessors, so we need no lessons from Conservative Members on the ability to tax by stealth.

None of that, however, invalidates the substantial points that have been made. First, the fuel duty escalator represents a serious competitive impediment to many aspects of working life in this country, whether in the haulage sector or the sectors of the economy that particularly concern rural communities. Secondly, the increase in indirect and hidden taxation has a uniform and punishing effect on some of those who are least able to pay that taxation. It has already been said that we have the highest fuel prices in Europe. On current estimates, we shall be paying something like £4.30 for a gallon of petrol by the end of this Parliament if the Government continue with their plans.

Over the past few weeks, I have had the benefit of being on the campaign trail, where I have been very assiduous, in the Scottish parliamentary and European elections. I made many visits to individual companies, not only in my constituency, but in central Scotland, the south of Scotland and the highlands, and almost all the discussions that I had with them related to the increasing impediments to competitiveness caused by the increases in the fuel duty escalator. For example, a paper manufacturing company has found that its distribution costs have substantially escalated, and companies in the textiles sector are finding it difficult to get their products to market. There is a direct impact on companies' competitiveness and their ability to secure stable levels of employment.

In a debate in the House in late April, I gave the example of a company in my constituency which is emerging from difficult times. As a result of the fuel duty proposal, it faces an increase of about £10,000 in its annual costs, which is a serious burden for such a company when its employees are working very hard to improve its fortunes. That is the sharp end of the Government's proposals.

Another perspective that I want to bring to the debate is that of rural communities. I am becoming increasingly concerned about the impact of the fuel duty escalator on rural communities, particularly those that I represent. I should perhaps declare an interest because, over the summer, I shall embark on an extensive tour of my constituency which will involve lots of driving, so I should record that a lot of petrol will be put into the vehicles that I shall use.

It is important to consider the impact of the fuel duty escalator on rural communities. It has a direct impact on people who have no public transport alternative and who must own a car to go about their daily business, but I particularly want to draw to the attention of the House the impact that the fuel duty escalator has on public services.

In an area such as the one that I represent, key workers who are delivering public services—for example, home-care workers, those delivering education services and those providing health care services—are disproportionately affected by the level of fuel duty increases that we have experienced. Those increases are consequently disproportionately affecting the ability of public services to be effectively delivered and distributed in key rural areas of our community. This flows through into the prices of goods and services within the private sector and, inevitably, affects the weaker within our society. All those issues have been rather glibly thrown aside by the attachment to the fuel duty escalator that the Government have continued to display.

5.15 pm

One of the central issues raised by the right hon. Member for Wells (Mr. Heathcoat-Amory) and by other hon. Members, including the hon. Member for Twickenham, is the status of the Government's intention in this policy area. During the days before our previous debate on this subject, which took place on 27 April, it was suggested that the Government were going cool on the fuel duty escalator. That was before some of the substantial outbreaks of anger in the road haulage sector that we have experienced. The national transport forum has been thrown to that sector to address its concerns. The Government suggested then that they were going cold on the question of the escalator and we have heard little about it until the outbreak of the most recent speculation on the subject. The House deserves an explanation from the Government of where they stand.

It is apparent from earlier discussions that are recorded in the *Official Report* that the Chief Secretary has made it clear that the contents of the Red Book reflect the insistence on the application of the escalator for the remainder of the Parliament. That remains a central part of the Government's argument. We require clarification from the Economic Secretary this evening.

One of the Labour candidates in the Scottish parliamentary elections—this is someone who will be known to those who run the Labour party in Scotland because he was the candidate for the Galloway and Upper Nithsdale constituency, which I am delighted to say was retained by my hon. Friend the Member for Galloway and Upper Nithsdale (Mr. Morgan) on 6 May—said that the application of the fuel duty escalator in rural areas was a poll tax on wheels, affecting people unfairly and unjustly in rural areas and having no relationship to ability to pay. All the damning criticisms that were made of the poll tax

[Mr. John Swinney]

are equally valid when made of the poll tax on wheels that the Labour candidate for Galloway and Upper Nithsdale thought was so iniquitous.

Mr. Bercow: To the knowledge of the hon. Gentleman, is the individual concerned still a member of the official list of prospective Labour party candidates?

Mr. Swinney: That is a pretty select list and I imagine that it is difficult to get on to it. I would not venture to go anywhere near the selection process that goes on there. I advise the hon. Gentleman that he should steer well clear of the issues that bear on access to the Labour party candidates' list in Scotland. It is a secret sect if ever there was one.

Mr. Malcolm Chisholm (Edinburgh, North and Leith): Will the hon. Gentleman give way?

Mr. Swinney: I must give way to someone who is—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Before the hon. Member for North Tayside (Mr. Swinney) is so generous, I must tell him that this fascinating mini-argument that has crept into the debate is out of order.

Mr. Swinney: I apologise, Mr. Deputy Speaker, for taking the House along an inappropriate road, if I might use that pun.

I give way to the hon. Member for Edinburgh, North and Leith (Mr. Chisholm).

Mr. Chisholm: Did the hon. Gentleman read the comment of a leading environmentalist that appears in a Scottish newspaper this morning? He says that for the Scottish National party to oppose both fuel duty increases and road user charges is the worst sort of populism and the worst sort of rubbish. What is the hon. Gentleman proposing for the environment? How can he justify the fact that SNP Members of the European Parliament are seeking to join the European Federation of Green Parties, which supports all those taxes and far more?

Mr. Swinney: If I were to talk about surrounding issues the European Parliament, Mr. Deputy Speaker, you would rule me further out of order than I was earlier.

It is important that we put in place a credible alternative that will change people's behaviour, and that has not been offered by the Government in support for the rural transport fund or by investment in public transport infrastructure. It is important also that the Government respond constructively and positively to the genuine difficulties that are now being faced by rural communities in Scotland and other parts of the United Kingdom. Nothing has been said by the Government that addresses those difficulties. The sooner we hear an answer from the Government, the better the position will be for the rural communities that are suffering disproportionately as a result of this unfair taxation.

Mr. Loughton: I support the amendments moved by my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory). As a member of the Environmental Audit Committee, I am concerned with the issues of green taxation, achieving Kyoto targets and so forth. The Economic Secretary to the Treasury, who has appeared before our Committee many times, knows our commitment to those matters. In the next week, we shall publish a report on energy efficiency, which touches on many of the subjects that we are debating today.

The measure that the amendments seek to ameliorate has nothing to do with energy efficiency and environmental conservation. The crux of the matter is the absurdity of accelerating the fuel duty escalator and then trying to dress that up as an environmental gain. In our many debates on the subject, we never hear from the Government any mention of the change in the cabotage rules that came in last July, which has completely altered the game for the freight industry in Europe and the United Kingdom.

As from last July, there is no environmental gain whatever to be had from jacking up diesel fuel duties in this country. That can only result in British lorry drivers, driving British lorries on British roads and emitting British fumes, being replaced by Belgian, French and German lorry drivers, driving Belgian, French and German lorries on British roads and emitting Belgian, French and German emissions from their lorries. Moreover, those emissions tend to be a rather poorer grade, because of the lower standards of maintenance of those lorries and the poorer quality of the fuel sold on the continent. It is utter nonsense to suggest otherwise.

The Government cannot continue to refuse to believe the evidence in front of their eyes. My right hon. Friend said that there were about 1 million lorries from Europe travelling on British roads this year. For the past three or four years, there have been 100,000 extra lorry trips a year from the continent.

I recently visited lorry drivers up in Lincolnshire. One has only to visit ports around the Humber to see the collapse in the roll on/roll off business. In the old days, foreign lorries would deposit the sealed containers at continental ports, to be brought over to the UK on ferries and picked up by British tractor vehicles and carried on to their final destination. Now continental lorries take the containers all the way through to their final destination, such is the economy of scale.

The British lorry drivers who would normally charge £1 per mile for the journey find that they are competing with continental lorry drivers who are quoting just 60p per mile for such journeys. British lorry drivers cannot compete with such a gap in margins, and no reduction in margins is being achieved by their end customers. The British lorry drivers are suffering at every point.

Eurostar is offering cheap fares for cab drivers to take their tractor vehicles over to the continent to fill up with petrol. There are also special ferry charters taking lorry drivers over to the continent just to fill up. A cheap rate overnight on a Sunday of less than £20 per metre is economically very attractive. To fill up a 1,200 litre tractor unit can save more than £600, which is well above the cost of the fares. In addition, extra lorry-miles are being created on British roads by those tractor vehicles being driven to the ports to be taken to the continent. That is utterly absurd.

What is the net effect? An enormous net loss in revenue to the UK Treasury and a net increase in revenue for the Belgian, French and German Exchequer, as well as the

Irish situation, about which we have heard. That of course means less money for the Treasury, which supposedly will hypothecate in respect of more environmentally friendly measures to encourage greater use of liquified petroleum gas to help this country to achieve its Kyoto targets, which we all want to be met.

As we have heard from my right hon. Friend the Member for Wells, the Economic Secretary constantly gets her figures wrong, and, at long last, the admission was squeezed out of her that the price of diesel fuel has increased by 13p per litre since the election. However, there still seems to be no sign of the Government acknowledging the reality of what is going on. As one of my hon. Friends has said, at Treasury questions on 13 May, she envisaged the fuel escalator continuing for a further 10 years. As if to add insult to injury, on 24 June, at the next Treasury questions, those freight drivers who wanted an end to the escalator, which we were advocating, were accused of being extremist. They were called extremist for wanting to preserve their industry and their jobs and for wanting British trucks to continue to carry British goods on British roads rather than lose out to European competitors.

Even if we put on one side all the other additional costs that the freight industry has been facing, such as the selective increases in vehicle excise duty, and the fact that new tyres will cost about £278 per axle on an 18-tyre vehicle—

Mr. Andrew Love (Edmonton): I thank the hon. Gentleman for giving way in the midst of painting a picture of doom and gloom. Can he tell us the level of penetration of the British market by foreign lorries?

Mr. Loughton: I have already given the figures. There has been an increase of 100,000 lorry trips a year over the past three to four years. Those are the Treasury's figures. If only one Treasury Minister would stand on a motorway and carry out a survey—*[Interruption.]* To be generous, a Minister could stand at the side of a motorway.

Treasury Ministers should visit a service station on a major motorway and count up the number of foreign-flagged vehicles in the car park; then they would have to admit the truth. I cannot see why they cannot carry out some basic research. If they did, they would see that the number of foreign vehicles carrying freight on our roads has increased disproportionately.

These measures also hit the smaller operators—owner-operators in particular—disproportionately, because 85 per cent. of goods vehicles in this country operate in fleets of 10 vehicles or fewer. The cost of fuel constitutes at least 40 per cent. of the overall operating costs of such operators. Things would have been even worse had it not been for the weakness in the oil price over the past year to 18 months, although that advantage is disappearing very quickly. With yesterday's news that the oil price has returned to more than $18 a barrel, it will not be long before the small element in the cost of a gallon of fuel that represents the product itself is pushed up. The overall price of fuel will increase even more, let alone the tax on top of it.

Whenever we mention those matters and the real factors that are affecting many lorry drivers in this country, the Minister starts talking about special tax concessions for cleaner lorries, for installing catalytic converters and everything else. She should try driving a 38-tonne lorry fuelled by liquified petroleum gas. She might find that the tanker required to fuel it rather bigger than the vehicle itself was, and that a large amount of fuel to be dragged along behind it. Will she start to explore the economics of catalytic converters, which cost more than £2,500 to fit, although the tax break which is supposed to encourage drivers to fit them is very much less than that? They are guaranteed for 12 months only and account for a significant drop in the fuel economy of a vehicle, yet again threatening drivers' margins.

We debated road fuel gases last night and it was interesting that the Economic Secretary claimed that Government had broadened the differential between the duties on liquified petroleum gas and on hydrocarbon fuels. She said that it was important that the gap between the duty on those two fuels had been widened, because that would encourage more people to use LPG. Of course that gap will widen if the rate for diesel fuel is jacked up at the upper end. It is absurd.

5.30 pm

Unless the Government accept the amendments at the last minute, the proposed measures will result in an overall loss in revenue to the Treasury without any concomitant reductions in CO_2 emissions from freight traffic. Business will go to continental lorry drivers at the expense of British jobs, and UK companies will either relocate their fleets or part of their fleets to the continent or flag out to continental operators. British companies are already doing that. Indeed, firms are springing up on the back of the advice given to British lorry drivers on how to take advantage of flagging out or relocating to the continent.

As the hon. Member for North Tayside (Mr. Swinney) said, the rural community is affected, and especially community bus services in the countryside. Some months ago, the Economic Secretary talked out a private Member's Bill that would have exempted community buses from bus fuel duty. They currently have no exemption, and pay 100 per cent. of the excise duty charged on diesel fuel. I thought that we were trying to promote such bus services yet, they, along with the commercial freight drivers, will be one of the biggest victims of the proposed increase in excise duty. Those services are often run by charities and volunteers. The disabled, who rely wholly on their cars and disabled bus and taxi services in the country and town alike, will also be victims.

The Government must wake up to reality. The amendments send a clear signal that enough is enough. We need a drastic reversal of policy. It may have been appropriate five or six years ago, but it is now time to get off the escalator. If not, the measures will be self-defeating in terms of revenue raised and environmental gain. It is about time that this madness stopped.

Mr. Robert Syms (Poole): I intend to make a brief contribution.

I support amendments Nos. 40, 41 and 42. The fuel escalator raises £25 billion. It raises so much money because it is a regressive form of taxation. When designing a tax system, one should take into account not only how to raise revenue, but how to make that fair. The effect of these tax measures will be substantially different in each constituency.

[Mr. Robert Syms]

In large rural areas the car is a necessity. People have to use it to maintain their quality of life—to take the children to school, to go to hospital, to go to church and to do all the basic things. In many urban areas, especially London, there are transport alternatives, but for constituents who live in villages out in the wilds of England, Wales and Scotland there is no alternative to the car. This tax will be determined more by people's postcode than by their choice of transport. It is unlikely to affect wealthier people, but it will hit poorer people in rural areas.

I was a rural county councillor. One should not presume that because people live in pretty villages they have high disposable incomes and are well off. Many people who live in villages struggle to bring up a family and keep a home together. The imposition of fuel duty year on year makes that very difficult. The Government's taxation policies are driving poorer people out of rural areas: that is happening more now than in the past 20 or 30 years. That is a pity, because many villages will end up with unbalanced communities.

I welcome the amendments. At least they have given rise to a debate, and at least they take into account the fact that a policy that is sane when it relates to one year can become insane when it is implemented year after year, and when it impacts on only certain people in certain constituencies. Some of those people may not have the largest incomes, or, indeed, the largest cars; they simply need to use the car to do basic things.

As one who represents a port, and a port that is used by road hauliers, I am very aware of the burden that the clause imposes on the road haulage industry. Road hauliers carry the vast majority of the goods that appear in our shops and supermarkets. There is no such thing as a painless tax increase, and at some point people must pay for the amount that the Government are raising—in this instance, £25 billion. The cost must be paid either by consumers through higher prices, or by road hauliers, who must try to contain their costs. They may be able to squeeze efficiency for one or two years, but that will become increasingly difficult after a period of several years, when fuel prices are constantly rising.

The road haulage industry is very competitive. Most hauliers survive on small margins. It is a problem if they have to jack up prices every year in such a competitive industry: many businesses are likely to go bust as a result, and many drivers are likely to lose their jobs. Continental hauliers have an impact on Britain. Many have 100-gallon tanks, which they fill up on the other side of the channel. They come here and unload, and look for business. Because they bought their fuel on the other side of the channel and they do not have to fill their tanks here, they can undercut British road hauliers.

As my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) pointed out, hauliers are not only contributing a great deal in fuel tax; they are contributing a great deal in vehicle excise duty. The more road hauliers go out of business on this side of the channel, the less revenue the Treasury will receive. We should take account of what happens across the channel, and I think that the amendments are at least a step in the right direction.

The hon. Member for Twickenham (Dr. Cable) described our policy as opportunistic, but I do not consider it opportunistic to stand up for country dwellers who need cars. I do not consider it opportunistic to stand up for road hauliers who carry the goods that we all want to buy, and who provide a good service for this country—efficiently, we hope—but on whom the Government's policy will impose a considerable burden.

I hope that the Economic Secretary will make clear where the Government see their policy going. I believe that, if we continue in this way, anger will erupt, people will go out of business, jobs will be lost, and people who are struggling to remain in rural villages in which they may have been born and grown up will be forced into urban areas.

Mr. Desmond Swayne (New Forest, West): I support the amendments.

I am indebted to my hon. Friend the Member for Poole (Mr. Syms), who drew attention to the small margins on which the haulage industry is based. I wish to stress the plight of the industry in south-west Hampshire. I believe that the relationship between the environment and haulage mileage is entirely different there: indeed, its impact may be perverse in comparison with that in the rest of the country.

The difficulty is that, in south-west Hampshire, the need for haulage services is concentrated along the A31—which is in effect an extension of the M3 and M27 motorway network—down the Southampton waterside, particularly in Totton and the oil-refining area of Fawley, and along the southern strip, where population growth and the growth of enterprise are greatest.

It will no doubt have occurred to some people that the New forest lies bang in the centre of the localities to which I have drawn attention. It is the policy of Hampshire county council—many of my constituents would say that it is properly so—to prevent hauliers from travelling through the New forest. Therefore, any haulage firm that wishes to pick up business, for example, in Ringwood or on the waterside, but which is located along the southern strip must make a considerable detour, entailing much more mileage. They feel that they have made their contribution to the environment by travelling more miles than would ordinarily be the case were they not restricted by the county council's environmental policy. Now they find themselves penalised disproportionately by the escalator that has been imposed on them.

Equally, the greater mileage that hauliers are required to travel has had an effect on many of my constituents. My hon. Friend the Member for Christchurch (Mr. Chope) will be aware of the complaints of his constituents in Highcliffe and Walkford about lorries that would otherwise have travelled through Lyndhurst and Burley, but which make a large detour to avoid the New forest. His constituents, and my constituents in Sopley and along the A31, would undoubtedly welcome the extra revenue that such taxes might yield if it were invested in the road network to provide them with relief from the additional haulage traffic to which they are subjected. The legitimacy of the tax is completely undermined, however, because the prospect of bypasses, particularly around Lyndhurst, and of noise abatement measures along the A31 to allay the misery of many of the local residents, has receded.

It is precisely because of the current tax's perverse effects, and its disproportionate effect on my constituents, that I am in favour of the amendments.

Mr. Michael Jack (Fylde): First, I apologise to you, and to the House, Mr. Deputy Speaker, for not being here at the start of the debate. I was following it in another part of the Palace estate and heard some of the arguments.

If I were in the Government's position and faced with a nice little earner that would yield nearly £1.7 billion extra year on year, I would sit on the Treasury Bench, try not to catch the eye of Opposition Members, and try not to look embarrassed or in any way discomfited that so much additional money was being lifted yet again from motorists.

It is almost as though the Government were trying to outdo the previous Government's efforts in their tax approach. They have looked at the escalator and thought, "That is a good idea. Let's double it. Let's really go for it," but, as always, the shoe has begun to pinch tightly. Let us look at the real-world effect of the fuel duty escalator. At one of my local garages, the price was 58p a litre before the last Budget; now, 69p or 70p is the norm. At a modest consumption of 10 gallons a week, the citizen is now paying about £225 a year more for his fuel.

I ask the Economic Secretary, if she is to reply to the debate, whether she will initiate a study of the escalator's distributional effects. For all the reasons that other right hon. and hon. Members have mentioned, many of our constituents find it impossible to adjust their motoring habits overnight. They are not financially able to buy the latest and most fuel-efficient cars to overcome the effect of extra fuel duty. They are perhaps wedded to an older and less efficient car, which may be a necessity—perhaps even a tool of the trade—for them. None the less, the Government seem disinclined to measure the regressive effect of the tax, particularly on those who are at the lower end of the salary or wage spectrum.

5.45 pm

Will Ministers therefore conduct an exercise examining the tax's full impact? If they continue operating the escalator as they have been, many low-income people will be very adversely affected—which perhaps should, if there is still a vestige of socialism among Labour Members, touch their conscience. I do not think that many people drive many frivolous miles. Most people use their cars of necessity, particularly in rural areas, about which hon. Members have already spoken.

Although the oil price may drop to $10 a barrel, the Government ensure that motorists do not receive the decrease's full benefit. I appreciate that there is a relationship between fuel price and fuel use, but, if the Government want to achieve their environmental objectives, other levers should be used rather than simply hiding behind the fuel escalator. What will happen as the oil price increases? I presume that Ministers will be happy to let motorists not only feel the full force of the fuel duty escalator but bear the full weight of any oil price increase.

Ministers cannot have their cake and eat it. Yesterday we debated the implications of vehicle excise duties and future applications—perhaps to be announced in the next Budget—of the graduated scale, which is the Government's big idea to meet their Kyoto targets. However, to achieve the same targets, they want also to use the fuel duty escalator. Why do we need two economic measures to achieve the same target, when one will do?

The Government are using a very negative and blunt instrument to try to achieve their environmental targets, but they have also committed themselves to a different instrument. They should not have two bites at the same cherry. In trying to achieve their environmental targets, Ministers have taken a lazy approach to taxation. If they want to raise more money to meet the targets, they could do so in other ways—but they are frightened rigid of taxing anything else. Therefore, with a blunt instrument, they are going for the same old "winners", which is having a seriously regressive effect on lower-income groups. Ministers owe it to us to undertake a study to examine the policy's real impact.

I take modest comfort from thinking that Ministers may support amendment No. 40, as press reports state that the Chancellor is getting cold feet on the issue. However, I suppose that, being a Scot, he would rather have the money than show even a little generosity to hard-pressed motorists, many of whom are suffering from the Government's anti-road, anti-car policies. Motorists are stuck in traffic jams, spending even more money on fuel and adding to the Government's coffers. I suppose that that is the new stationary method of raising taxes.

The Government need very carefully to consider this sphere of taxation. I think that a report on the escalator's impact on individuals, compared with its impact on the environment, would help greatly to clarify Government policy.

Mr. Nick St. Aubyn (Guildford): I do not know whether the Economic Secretary is a fan of George Gershwin, but, judging by her previous statements on the escalator, I should not be surprised to see her standing at the Dispatch Box singing, "I'll build a stairway to paradise". Nevertheless, as we have heard in the debate, the truth is that the Government are building a treadmill to ruin for businesses across the United Kingdom.

We heard from the hon. Member for North Tayside (Mr. Swinney) how the previous Conservative Government's success in attracting funding for Scotland's infrastructure—thereby revitalising so many of its regions—is now being undermined by the ever-increasing cost of getting products made in Scotland to their markets. That is the extent of the damage being done by this serious increase in taxation.

Mr. Swinney: The electorate's conclusions about the great success of the Conservative Administration were shown on 1 May 1997, when the Conservatives failed to win any seat within Scotland. Perhaps that little piece of information will be a part of the hon. Gentleman's recollections about Scottish politics.

Mr. St. Aubyn: We well know that the Conservative party bequeathed to the country, including Scotland, a golden economic legacy. There were other reasons why we lost that election, but the reasons for the legacy will be the reasons why we will win power again.

If the Government increase taxation without a thought-through strategy, they will hurt business and destroy jobs, and the tax increases will become self-defeating. That is the stage we are reaching with the so-called fuel escalator.

[Mr. St. Aubyn]

In my part of the country, people do not have a choice to whether or when to use their cars. They are busy people who have to get to work and who have to use the transport that is available and—as in many other parts of the country—that means the motor car. It is no good telling them to put all their freight on rail. They need to use the road transport network which has been built up over so many years.

I was struck by the way in which in a recent exchange with me, the Minister for Transport patted herself on the back for having announced a £5 million noise reduction fund—£5 million across the country to reduce noise is a paltry sum when the Government, as a result of their increments in taxation on the motorist, are raising an extra £12 billion from motorists during this Parliament.

If the Government were to use a modest increase in road duty to improve our road network by imaginative noise reduction measures, better surfaces or schemes to encourage road traffic to use main roads—and not to disrupt the lives of many people by driving heavy lorries through villages—at least some benefit would flow back to our constituents who are paying these high costs. The Government do not intend to do that. The reason why the Conservative party is opposed to high taxation in principle is that Governments who increase tax simply tend to hoard the money, and do not have the imagination to put it to good use. That is why we need to stop the increases in road fuel taxes. We need to stop and think before we use these extra taxes simply to force businesses into ruin. Any money must be put to good use for the real transport needs of our country.

The Economic Secretary to the Treasury (Ms Patricia Hewitt): This has been a lively and interesting debate—albeit one perhaps inevitably, has gone over familiar ground. It might help if I reminded the House of the origins of the fuel duty escalator, which was introduced by the Conservative Government in 1993. It was set initially at 3 per cent., but raised in the same year to 5 per cent. With the exception of some references in one or two speeches from Conservative Members, one would never have thought so.

The escalator was inherited by us, confirmed by us and increased to 6 per cent. in 1997. The fuel duty escalator was right when the Conservative Government introduced it—I am prepared on this occasion to give them the credit for it, even though they have since abandoned the policy—and it is still right today.

Mr. Dorrell: Will the Economic Secretary complete that statement of policy? For how long will it be right?

Ms Hewitt: As we said in the "Financial Statement and Budget Report" the escalator will be applied in future Budgets. Our environmental assessment is that if the road fuel duty escalator is continued until 2002, it will, by 2010, save between 2 million and 5 million tonnes of carbon—an extremely significant contribution towards our Kyoto targets.

Mr. Jack: Will the Economic Secretary give me an undertaking that she will publish the details of how that calculation was arrived at?

Ms Hewitt: The calculation was based on the models used by the Treasury and the Department of the Environment, Transport and the Regions. We referred to that in the environmental impact assessment table in the Budget documentation. There is nothing further that I can add. However, if any further technical details will assist the right hon. Gentleman, I will let him have them.

The reduction in greenhouse gases was for the Conservative party and is for this Government the first and continuing justification for the fuel duty escalator. However, there is a second justification—the contribution that the fuel duty escalator makes, by constraining the growth in demand for road transport that would otherwise take place, to improving local air quality and thus people's health.

Last night, Conservative Members posed as the friends of health and the opponents of air pollution. The right hon. Member for Fylde (Mr. Jack) moved amendments on road fuel gases, and referred to the problems of

"fine particulates PM10s, which have a demonstrated link with respiratory and cardiovascular disease, and to oxides of nitrogen, which can damage the lungs and play a part in summer smog episodes. These emissions currently result from the use of petrol engines".—[*Official Report*, 5 July 1999; Vol. 334, c. 770.]

The right hon. Gentleman was absolutely right. He referred later to benzine emissions from petrol, which cause health risks.

Let me remind the House of those health risks and the contribution to them from the emissions from cars and lorries. In 1996, airborne particulates in urban areas brought forward more than 8,000 deaths, and either caused or brought forward more than 10,000 hospital admissions for respiratory diseases. Road transport is one of the major sources of those particulates. Across the country, road transport contributes about a quarter of the total emissions of particulates. In London, where the problem is most severe, nearly 80 per cent. of those particulates—about which the right hon. Member for Fylde was so concerned last night—come from road transport.

Road transport is responsible for nearly half the emissions of nitrogen oxide. In London, where the problem is at its worst, it accounts for nearly three quarters of emissions.

Mr. St. Aubyn: By how much has traffic been reduced in London since the Government increased the amount of the escalator?

Ms Hewitt: The escalator has ensured that the demand for petrol, and therefore the emissions from petrol and diesel-powered engines, has reduced by 0.1 per cent. compared with a year ago, and is somewhat lower than it was more than 10 years ago. Compared with the scenarios that we could have anticipated in the absence of the escalator, that is an important constraint upon the increase in road transport and pollution.

Opposition Members were concerned last night about people's health. Today, they are concerned only about people driving cars and lorries. It is worth remembering that particulates from diesel engines are responsible for a large number of those premature deaths and hospital admissions for bronchial and respiratory diseases.

I remind the House of the remarks of the former Chancellor, the right hon. and learned Member for Rushcliffe (Mr. Clarke), who said—quite rightly—that hon. Members who sought to support the Kyoto targets

and to show concern for people's health and the impact on health of road transport-generated pollution, and who simultaneously opposed the fuel duty escalator, were sailing dangerously close to hypocrisy.

6 pm

Several hon. Members spoke about the road haulage industry. I commend the remarks of the hon. Member for Twickenham (Dr. Cable), who rightly referred to several studies that strongly suggest that the road haulage industry is contributing considerably less than the total cost of the social and environmental penalties that it imposes on this country. Of course, the industry's competitiveness is taken into account when the Government set diesel duty rates and vehicle excise duty, but the duty on diesel also reflects valid environmental and health concerns which I would have hoped by Conservative Members were shared.

My right hon. Friend the Chancellor and I have often stressed that, in considering the industry's competitiveness, we must take into account not only our fuel duty and VED, but our total package of business costs. Thanks to the Government, we now have the lowest rate of corporation tax of any major European Union country. Our non-wage labour costs are generally lower than those in our competitor countries. The small companies rate of corporation tax was cut to 20 per cent. in the Budget and a 10 per cent. rate was introduced for the smallest companies.

We have cut VED for the cleanest lorries by £1,000, and in response to a request from the industry we have made it easier for vehicles to change their licence category to become eligible for the lowest possible rate of VED to suit the loads that they bear.

In response to the industry's concerns, we set up the road haulage forum, which will meet again under the chairmanship of my right hon. Friend the Minister for Transport later this month. At the request of right hon. and hon. Members, we are considering the specific question of the Euro vignette scheme, although I stress again that the scope for such a scheme is severely constrained by a European directive to which the previous Government committed us.

There is considerable evidence of overcapacity in the haulage industry. A third of total mileage is run empty and the supermarkets have achieved enormous improvements in fuel efficiency and loadage, which shows that we are giving the industry absolutely the right incentive, partly through the road fuel duty escalator, to ensure that it makes much more efficient use of its fuel.

A recent study by the energy efficiency best practice programme shows that only a third of commercial fleet managers know how much they spend on fuel and only a third have active policies to improve fuel efficiency. The escalator should go some way towards the extremely necessary goal of improving that record.

One damaging effect of the amendments is that they would reduce the duty incentive for clean ultra-low sulphur diesel to just over 2p a litre. We have seen clearly that the trade needed the 3p differential that we introduced in the March Budget, as it enables ultra-low sulphur diesel to be offered at the same pump price as conventional diesel. In February, clean diesel was only 41 per cent. of the diesel market; by June, that had already increased to 96 per cent. We have put in place the right duty differential and ensured that virtually all diesel now sold in this country is environmentally friendly. That has been a resounding success, and the amendments would go back on our promise to the oil industry to maintain the differential.

The amendments would backdate the reduction in rates to Budget day on 9 March, which would necessitate our repaying about £300 million to the oil industry. I am not sure that the Opposition have begun to think about how that could be administered or how one could insist that the reduction was passed back to the motorists on whom the increase was imposed.

As we have come to expect from the Conservatives, their refusal to abide by the policy that they rightly adopted in government and their opportunistic decision to abandon it, as the hon. Member for Twickenham said, mean that there is a black hole of about £5 billion in their spending plans.

Perhaps the right hon. Member for Wells (Mr. Heathcoat-Amory) will tell us how he proposes to fill that hole and whether he believes that the resultant cuts should fall on the health service, on schools or on some other part of public spending. I hope that he will tell us how he would achieve the Kyoto and other greenhouse gas targets and the improvements in people's health, of which many Conservative Members have spoken, in the absence of this highly effective and well-justified policy. I urge my hon. Friends to oppose the amendment unless, as I hope, the right hon. Gentleman decides to withdraw it.

Mr. Heathcoat-Amory: The facts of the issue are not seriously in dispute. The road fuel duty escalator is now well past the point at which it had an environmental justification and is doing severe damage to the private motorist and the road haulage industry. It is part of the Government's totally unnecessary war on the private motorist and it is making an important industry uncompetitive in Europe.

The Government first chose to deny those facts and they now choose to ignore them. We do not ignore them and we will now vote to reverse the damage by supporting the amendment, which would cut the escalator back to the rate of the retail prices index.

Question put, That the amendment be made:—

The House divided: Ayes 135, Noes 355.

Division No. 224] **[6.8 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clifton–Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Dorrell, Rt Hon Stephen
Duncan, Alan

Duncan Smith, Iain
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forsythe, Clifford
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Heald, Oliver
Heathcoat–Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Jones, Ieuan Wyn *(Ynys Môn)*
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Loughton, Tim
Luff, Peter
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Mates, Michael
Maude, Rt Hon Francis
May, Mrs Theresa
Morgan, Alasdair *(Galloway)*
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ross, William *(E Lond'y)*
Ruffley, David
St Aubyn, Nick
Shepherd, Richard
Simpson, Keith *(Mid–Norfolk)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Swinney, John
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Tredinnick, David
Trend, Michael
Viggers, Peter
Wardle, Charles
Wells, Bowen
Welsh, Andrew
Whitney, Sir Raymond
Whittingdale, John
Wigley, Rt Hon Dafydd
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Young, Rt Hon Sir George

Tellers for the Ayes:
Mrs. Jacqui Lait and
Mrs. Eleanor Laing.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Janet *(Rossendale)*
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Baker, Norman
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Bradley, Peter *(The Wrekin)*
Brake, Tom
Brand, Dr Peter
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm *(Gordon)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burstow, Paul
Butler, Mrs Christine
Byers, Rt Hon Stephen
Cable, Dr Vincent
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Cotter, Brian
Cousins, Jim
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Curtis–Thomas, Mrs Claire
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Dobson, Rt Hon Frank
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Galloway, George
Gapes, Mike
Gardiner, Barry
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Hanson, David
Harman, Rt Hon Ms Harriet
Harvey, Nick
Heal, Mrs Sylvia
Healey, John
Hepburn, Stephen
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*

Jones, Mrs Fiona *(Newark)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Keetch, Paul
Kelly, Ms Ruth
Kemp, Fraser
Khabra, Piara S
Kidney, David
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kingham, Ms Tess
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Rt Hon Ian *(Makerfield)*
Macdonald, Calum
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, Jim *(Leicester S)*
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michie, Bill *(Sheffld Heeley)*
Milburn, Rt Hon Alan
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon John *(Aberavon)*
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
Oaten, Mark
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Öpik, Lembit
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Quinn, Lawrie
Radice, Giles
Rapson, Syd
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Sanders, Adrian
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Tonge, Dr Jenny
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
Watts, David
Webb, Steve
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Wray, James
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

Tellers for the Noes:
Jane Kennedy and
Mr. Kevin Hughes.

Question accordingly negatived.

Clause 40

MEANING OF CONDITIONAL INTERESTS IN SHARES

Dr. Cable: I beg to move amendment No. 30, in page 21, line 4, leave out subsection (7) and insert—

'(7) The amendments made by this section shall be deemed always to have had effect'.

This technical matter was pursued at length in Committee, but I should like to take it a little further. It arises from a measure against tax avoidance that was designed to stop people converting remuneration into shares, thereby exempting themselves from higher rates of income tax. That measure fell on a particular class of companies—unquoted companies that frequently pay employees or directors in shares that must be transferred when the employee or director leaves the company.

That presented a problem for those people, who would have to pay taxes at higher rates on valid and welcome forms of employee share ownership because of the attempt to clamp down on tax avoidance. The Finance Act 1998 attempted to address the problem by exempting people when the arrangement was built into the company's articles of association. However, it is clear from discussions with the Inland Revenue that the exemption was too narrowly drawn. Many people were caught out who had acquired shares as a result of employee contracts, or because they worked for a subsidiary—unlike the fat cats who work for main companies.

Clause 40 is designed to narrow further the range of the anti-avoidance measure, and is generally welcome as it allows exemptions to be extended to people who work for subsidiary companies. However, the exemption is limited to people who bought shares after Royal Assent was granted to last year's Finance Act. It still catches a substantial number of people innocently involved in employee share ownership schemes who purchased their shares long ago.

The amendment would therefore apply the anti-avoidance measure retrospectively. Little revenue is involved, though if the sum is more substantial, the Treasury should give us some figures. The amendment cannot conceivably be construed as doing anything to encourage tax avoidance as it applies to decisions already taken. It is a reasonable technical suggestion to widen the scope of the exemption already accepted in principle by

[Dr. Cable]

the Government in a way that will meet the concerns of those who are trying to promote employee share ownership in a specific category of companies.

Mr. Howard Flight (Arundel and South Downs): Clause 40 and the Liberal Democrat amendment are the fruits of excessive zeal in anti-avoidance measures, the complication of which has resulted in mistakes by the Government. The amendment is broadly correct, as the administration of clause 40 would be a nightmare for the Inland Revenue during the year in which an unfair tax rule existed, but it sets a precedent with which we are uncomfortable by making tax matters retrospective, even though it favours individuals. However, we cannot see how clause 40 will operate smoothly without it, unless the Revenue acts as if it had been included in the Bill.

Where companies pay individuals in shares subject to later forfeiture—which creates a difficulty in valuing the benefit and the income tax that arises—special rules apply. When the original provisions were drafted in 1988, cases in which an employee dismissed for misconduct had to sell the shares at a discount were not included, but those cases were included in the special rules last year. Those people are in a tax situation different from the deliberately advantageous situation in which shares become forfeit in order to avoid charges to income tax. The tidying up of parts of last year's Act made the mistake of including a charge to income tax that no reasonable person would have considered.

We are glad that the Government are correcting that error in clause 40. However, do they intend the Revenue to be lumbered with the unintended law for a year, or will the Revenue operate as if the mistake had not happened, even if the amendment is not accepted?

Mr. Fabricant: I, too, support the amendment and welcome clause 40. The clause is a small demonstration of the Government's so-called commitment to a stakeholding society, although they are also attacking fat cats and claiming that anyone who enjoys the fruits of the company for which he or she works is a fat cat. There is a fundamental inconsistency there.

It is wholly wrong that clause 40 should become operational from a particular future date. It should be backdated. It should, indeed, have gone further. When in Opposition, Government Members criticised our Finance Acts, claiming that share and profit participation schemes were not lawful, and that profit schemes were being abused. There were instances of that, for example, one at Nottingham university, which was quoted by my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke). A [illegible] company was set up and people were paid through dividends rather than wages.

6.30 pm

Assurances were given before the last general election to companies such as the John Lewis Partnership, which I do not think any hon. Member would accuse of operating a scheme to make use of a tax loophole and which has suffered as a consequence. Everyone who works for the John Lewis Partnership is designated as a partner. At the end of the year, instead of a dividend being declared, a proportion of salary is declared as a bonus, which is distributed among all the workers. If that is not a good example of a stakeholding society, I do not know what is.

I clearly remember during debates on the Finance Bill before the last general election Labour Members pledging that if a Labour Government were elected they would restore tax-exempt status to profit-sharing schemes such as that operated by the John Lewis Partnership, which is a bona fide scheme. Now, two years into a Labour Government, what do we see? The stakeholding society is merely another spin. There has been no deed and the Government have not attempted to reinstate that profit-sharing scheme. That is another empty promise—another promise unfulfilled and another group of people who feel betrayed as a consequence.

Will the Minister, who was not in the House prior to the general election, look through the *Hansard* of our debates on that Finance Bill, see the promises that were made and undertake on her word of honour that bona fide profit-sharing schemes will be reinstated as tax exempt? There is no logic in introducing clause 40 into the Bill without introducing the sort of scheme that I just mentioned.

The Labour Government claim that they are no longer against fat cats. They hope that fat cats will vote for them. They claim that they want a stakeholding society. Yet when companies generate the very conditions that provide such a society, the Government, either through their inaction or action, work against them. That is hypocrisy, betrayal and spin of the worst kind.

Ms Hewitt: I draw the hon. Gentleman's attention to the commitment made in the Budget by my right hon. Friend the Chancellor, both to introduce new tax regulations for employee share ownership schemes, which will make it the most generously tax relieved form of employee share ownership in this country and to introduce a new enterprise management incentive, which is directed particularly towards new and start-up companies. We are more than fulfilling our pledge to promote stakeholding by employees.

Mr. Fabricant: Will the hon. Lady give way?

Ms Hewitt: No. If the hon. Gentleman will forgive me, I would rather deal with the amendments to clause 40. It is fair to say that he strayed somewhat wide of those.

As the hon. Member for Twickenham (Dr. Cable) said, clause 40 adds two new cases to the categories of shares that are specifically excluded from the special tax rules that were introduced in the Finance Act 1998. Those excluded cases are, instead, taxed in line with general tax rules. The amendment would make the change retrospective to last year.

A similar amendment was tabled in Committee and was spoken to by the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb). I asked him to withdraw it on the ground that it would be wrong to present an unexpected tax bill to some employees. He agreed to do so on the basis of my statement to the Committee, which he described as "full, frank and helpful". I always seek to be full, frank and helpful.

My concern at that time was that making the changes retrospective, while it would be beneficial for the majority, might result in some employees receiving a

larger tax bill. That is because the value of shares can go down as well as up. If an employee had been awarded shares since 17 March 1998 that were subject to a risk of forfeiture that could not last for more than 5 years and the shares had fallen in value, the tax charge would, in the absence of retrospective exemption, be on a lower value than would be the case under general tax rules.

In most cases, however, the opposite would apply: the shares would have increased in value and the employee would be better off with retrospection. Because of the possible risk that a few people might be worse off, it seemed better on balance not to make the clause retrospective.

The debate in Committee was helpful and since then several advisers have shown us examples of cases where ordinary employees will be disadvantaged unfairly by the absence of retrospection. In one case, the directors of a company were offered shares subject to the risk of forfeiture in February 1998, before the special rules in section 140A apply. Any subsequent increase in the value of those shares will therefore be taxed as a capital gain.

However, similar shares were awarded to all the employees of the company in April 1998. Those fall within the special rules of section 140A with the result that when they sell their shares the employees will have to pay income tax on any subsequent increase in their value. For most employees that will mean a real cost as the annual capital gains tax exemption would normally cover their gain.

Therefore, the employees end up being treated far more harshly than the directors of the company who acquired their shares a month earlier. If the employees were awarded the same shares after Royal Assent, they would be covered by the exemption provided by clause 40 and would be treated the same as the directors. Therefore, employees who were awarded shares between 17 March 1998 and when this Bill is enacted would be treated more harshly than any employees receiving exactly the same shares both before and after those dates. We have also reached the conclusion that many of those affected will simply not be aware that they are in that unfortunate position.

Therefore, like the hon. Member for Arundel and South Downs (Mr. Flight), I think that on this occasion there is a convincing argument that we should set aside our normal concerns about retrospective legislation and the problems to which it can give rise. I am therefore happy that we should adopt the common-sense solution which is clearly fairer to most employees. I am grateful to hon. Members and those advisers who have brought those cases to our attention and I am happy to accept the amendment.

Amendment agreed to.

Clause 45

PROVISION AND SUPPORT OF BUS SERVICES

Ms Hewitt: I beg to move amendment No. 3, in page 24, line 21, leave out 'large'.

Mr. Deputy Speaker (Mr. Michael J. Martin): With this, it will be convenient to discuss Government amendments Nos. 4 to 12.

Ms Hewitt: These amendments deal with the minimum seating capacity for the works bus exemption and related matters. We had an extremely helpful debate on the subject in Committee and hon. Members raised various matters there on which I promised to reflect further. I have done so and these amendments are a consequence of that further consideration—further proof that this Government do listen and respond.

Amendments Nos. 3 and 4 would reduce the minimum seating capacity requirement for the works bus exemption from 17 to 12. Several of the amendments moved in Committee sought to reduce our initial figure of 17. As I explained in Committee, the reason for a high seating test is simply to prevent the exemption being siphoned off, notably to family companies where husband and wife directors provide themselves with a large family vehicle, via the company, to take the two of them to and from work. There are tens of thousands of such companies. Such vehicles would normally be classed as cars and it is not the aim of the clause to change that in any way.

The provision removes the tax charge where a works bus is used to transport employees between home and work; it is part of our green transport package. However, in order to avoid potential abuse, the bus in question needs to be clearly distinguishable from a car, so the minimum seating requirement needs to be large enough to act as a deterrent against using a larger vehicle to attract a tax break. A fine balance has to be struck between avoiding a perverse incentive on the one hand, and, on the other, meeting the aims of the many employers who genuinely want to provide a bus service that will get a significant number of employees out of their own cars and on to buses.

Since the Committee stage, I have considered whether the 17-seat requirement could be reduced for works buses, and whether we could dispense with any seating capacity requirement for the public bus service exemption. As hon. Members will see from other amendments, we have indeed entirely removed the seating requirement for the public bus exemption. For the works bus, we felt able to come down significantly—by almost one third—to a minimum seating capacity of 12, which, I think, was the figure proposed in Committee by the hon. Member for Torridge and West Devon (Mr. Burnett).

That does not reduce the minimum quite as far as was proposed in some of the amendments tabled in Committee. However, there would be a real danger of opening the way to avoidance, if a figure lower than 12 were adopted. None the less, the amendment, taken with the other relaxations that we have introduced, will go a very long way towards meeting the points that were made in Committee, and in representations to us.

Amendments Nos. 5 and 6 deal with concerns expressed in Committee that the wording of the conditions about qualifying journeys in a works bus was too restrictive, and that some specific relaxation should also be introduced to enable children of employees to travel on the works bus without prejudicing the exemption. As I explained in Committee, the original wording would already have permitted some non-qualifying journeys, but concern was expressed in Committee about the use of the word "only" in relation to the qualifying conditions. The amendments retain the main thrust of the exemption—to exempt employees on their home-to-work journey from any tax on that benefit—but we have now expressed that, in amendment No. 5, in a main-use test for home-to-work journeys. We have removed the references to "substantial compliance" and to "only" about which some hon.

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Members were concerned. I hope that makes it clear that, provided the main-use test is met, a certain amount of other use of the service can take place without the exemption being lost—that is the key point.

As regards children, within the main-use test provided by amendment No. 5, amendment No. 6 includes a specific reference to allowing the children of employees to use the bus. However, that does not involve any restriction of the opportunity for a limited amount of other non-home-to-work travel by individuals without the exemption being lost. Together, the amendments introduce a simpler and, I hope, more user-friendly concept of main use.

As I have pointed out, amendments Nos. 7, 8, 9 and 12 remove any seating requirement for the public transport service subsidy, because the avoidance risk in respect of husband and wife directors, to which I referred, does not really apply to a public passenger transport service. We have decided that we can dispense with any minimum seating test.

Amendment No. 10 responds to an issue that was brought to my attention in Committee by my hon. Friend the Member for Wentworth (Mr. Healey). He wanted to cater for situations in which, for example, bodies with particular experience in the transport sector, such as passenger transport executives, provide an intermediary service—brokering the necessary payment and transport arrangements with transport companies—on behalf of one or more employers. The amendment introduces a relaxation to the road service bus subsidy exemption, by removing the requirement that the subsidy, or other support, for the bus service must be provided directly to the operator of the service.

Finally, amendment No. 11 arises from the consideration that I promised to give to an amendment proposed in Committee by the right hon. Member for Fylde (Mr. Jack). The issue is whether the condition in clause 45—that the service must be substantially used for commuting journeys only—is necessary in relation to the exemption for employer subsidies to public transport services.

As I said in my reply to the Committee, under the transport subsidy exemption, employees have to pay the same fare as other passengers. In those circumstances, there is no need to be concerned about the number of occasions, in addition to the ordinary commuting journey, on which the employee otherwise uses the service. In reconsidering the matter, we see no further risk in making the change proposed by the right hon. Gentleman. I am happy to introduce an amendment to remove entirely the requirement for employees to use the public bus service substantially for home-to-work journeys.

The amendments simplify and improve the package of measures announced by my right hon. Friend the Chancellor in the Budget to give significant support to the growing number of employers who are introducing green transport schemes and, hence, providing an incentive to other employers to follow that example. I commend the amendments to the House.

6.45 pm

Mr. Flight: After I was privileged to be elected as the representative of the citizens of Arundel and South Downs, the first business that I visited was a mushroom farm employing about 500 people. The business was in a rural area and many of the employees did shift work. They went through various business issues with me, and two major political points arose. The first was the subsidisation by the EU of mushroom farmers in Ireland, but the second was the advice from the Revenue that the bus service provided for the workers would be taxed as a benefit in kind to the recipients. In view of the hassle of assessing what the benefit in kind might be, it was felt that the company should stop providing the service.

I wrote to the Treasury once or twice, before the present Economic Secretary was appointed. The responses that I received were not particularly encouraging, but the point of my preamble is to explain why I am delighted that the Government have introduced these measures. They are obviously common sense, if we want to cut down the use of cars in rural areas. The benefit in kind aspect is minimal, while the benefit to the rest of the community is substantial.

My main comment is on amendment No. 6. It struck me that there could be occasional use by children, but not by spouses. I understand the explanation given by the Economic Secretary as to the purpose of that limitation, but it struck me that that might not be adhered to in practice. It might present a problem, if one spouse and the children—for whatever reason—needed a lift to the workplace of the other spouse.

Secondly, such works buses could occasionally provide valuable help in rural communities, by giving a lift to old age pensioners; I am sure that, if there were space on the bus, such people could board it. I trust that such practical anomalies would not undermine the tax advantages of the whole scheme.

Mr. Nicholas Winterton (Macclesfield): My hon. Friend obviously knows his constituency remarkably well. Out of interest—I do not seek to score political points—and given the problems that the company might encounter, or the hassle to which he refers, are there other public service buses to carry out the service?

Mr. Flight: I thank my hon. Friend for his question. The bus services are not adequate; it would be a nightmare for many of those individuals to get to work. There are substantial time gaps in the existing services, and many of the staff would have to stop working for the company. Others would have to travel by car, scooter or other forms of transport. The example that I have given is a high-employment rural industry that is currently prospering and it is a wholly suitable beneficiary of the Government's proposals. There must be many other such cases, especially in rural areas, where labour-intensive employment is sought.

The rest of the amendments strike me as being fairly sensible, if occasionally slightly over-defined. We understand the underlying principle of avoiding exploitation of the concession by family companies, but if a 17-seat minimum is too high for the purposes of defining a bus, 12 seats is well in excess of the number found in a car. However, if a company were to use some form of dormobile, it is debatable whether 12 seats really means 12 seats. Amendment No. 12 appears to remove the definition of how the number of seats is counted, and I assume that that is done to permit a degree of practical flexibility in the matter.

However, the essential point is that the amendments are welcome. It is good news that the Government have modified their original proposals to make them as practical and user friendly as possible. I trust that the general enforcement guidelines issued to the Revenue will reflect common sense.

Mr. John Healey (Wentworth): I welcome the amendments, which make a good clause much better. I particularly welcome amendment No. 10, and I am grateful to my hon. Friend the Economic Secretary for responding so positively to my representations in Committee. Amendment No. 10 removes the restriction whereby tax relief is payable only on subsidies from an employer paid directly to a bus operator for services provided exclusively to employees of that company. Ensuring that that tax exemption may also apply to subsidies paid via a passenger transport authority will strengthen the hand of PTAs to broker new bus services that serve more than one employer.

That is especially relevant to an area such as Rotherham, which I represent. Over two decades, we witnessed the destruction of the coal industry and severe damage done to our engineering, manufacturing and steel base by two deep recessions. The borough contains areas such as the lower Don valley and the Dearne valley which are now regeneration areas; they are strong on inward investment, but weak on public transport. Earlier this month, I met the recruitment manager of Ventura, which is a call centre that is currently investing in the Dearne valley and seeking to recruit about 4,000 employees during the next two years. She told me that the company had identified 200 unemployed people in the Dearne valley to whom it could not offer jobs because they did not have a car and so could not get to work. Good transport has a role to play in job regeneration.

The clause, as amended, will allow PTAs and employers to play their part in achieving the aim that the Government have set for the clause, which is the encouragement of greener transport means.

Dr. Cable: I should like to express my support for the measure and, in the process, thank the Economic Secretary for her response to representations on the previous clause. I was so gobsmacked that the Government had listened carefully to the criticisms, talked to the practitioners and responded sympathetically that I did not rise as quickly and as graciously as I should have done to express my appreciation. That was a positive development.

The season of good will appears to be upon us—we are being showered with presents and concessions. The current group of amendments is especially welcome. My hon. Friend the Member for Torridge and West Devon (Mr. Burnett) asked the Government to examine the definition of a bus. He asked Ministers to consider size—specifically, 12 seats—as a means of introducing greater flexibility; and to consider intermediate means of transport that fall between the full-sized bus and the car. I am glad that the Treasury has considered those matters and has acted positively. I unreservedly welcome this positive development.

Mr. John Horam (Orpington): I, too, welcome the amendments and I shall join my hon. Friend the Member for Arundel and South Downs (Mr. Flight) in making favourable comments about them.

The measure before us is part of the Treasury's transformation into a much greener Department than it has hitherto been. I recall the Minister in Committee making a good case for actions taken in the Budget, and I recognise the amendment as part of that effort. Anything that encourages green transport plans is wholly welcome. As the hon. Member for Wentworth (Mr. Healey) said, they help in his part of the world, and they certainly help in rural areas. Jobs can depend on transport planning.

May I enter one caveat—or one encouragement, to put it more mildly? The Minister is not only the Economic Secretary but the Green Minister in the Treasury, so she may have noticed that the Environmental Audit Committee, of which I am Chairman, published a report this week in which we pointed out that, Department by Department, the Government were not setting an especially good example in developing Green transport plans. When the Economic Secretary attends the next Green Ministers' meeting, will she make a favourable report on the reception given to the amendments by the House of Commons in this debate, and encourage Green Ministers in other Departments to follow her excellent example?

Amendment agreed to.

Amendments made: No. 4, in page 24, leave out lines 24 and 25 and insert—

> ''bus' means a road passenger vehicle with a seating capacity of 12 or more; and'.

No. 5, in page 24, line 33, leave out from first 'the' to end of line 34 and insert 'following conditions—

> (a) the service must be available generally to employees of the employer (or each employer) concerned;
>
> (b) the main use of the service must be for qualifying journeys by those employees.'.

No. 6, in page 24, line 36, leave out from 'the' to end of line 40 and insert

'condition that the service must be used only by the employees for whom it is provided or their children.

For this purpose 'children' includes stepchildren and illegitimate children but does not include children aged 18 or over.'.

No. 7, in page 25, line 14, leave out 'bus' and insert 'road'.

No. 8, in page 25, line 18, leave out 'bus' and insert 'road'.

No. 9, in page 25, line 20, leave out

'with a seating capacity of 17 or more'.

No. 10, in page 25, leave out lines 29 and 30.

No. 11, in page 25, leave out lines 37 to 39.

No. 12, in page 25, line 46, leave out from beginning to end of line 3 on page 26.—*[Mr. Clelland.]*

Clause 47

CYCLES AND CYCLIST'S SAFETY EQUIPMENT

Ms Hewitt: I beg to move amendment No. 13, in page 27, line 1, leave out from 'to' to end of line 3 and insert

'the condition that the employee must use the cycle or safety equipment mainly for qualifying journeys.'.

While the House is in a happy mood of consensus on environmental objectives—which was far less obvious in our earlier debate on the fuel duty escalator—let us turn to

[Ms Hewitt]

amendment No. 13, which again simplifies the provisions relating to tax relief for cycling, which is another part of our green transport package.

The amendment replaces the requirement that the tax exemption is available only if there is

"substantial compliance with the condition that the employee must use the cycle or safety equipment only for qualifying journeys"

with the condition that the equipment is used "mainly" for qualifying—that is, home-to-work—journeys. In other words, it does for bicycles what the previous group of amendments did for works buses. As I explained in Committee, there is no intention to withdraw the relief if the employee also uses the bike for private or leisure use. Provided that the bike is mainly used for the commuting journey, the tax exemption will remain. Of course, employers will not be expected to check up on their employees' other cycling journeys.

In Committee, concern was expressed—notably by the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale), who has since been translated into the Trappist position of Parliamentary Private Secretary to the Leader of the Opposition—about the apparently restrictive nature of the "substantial compliance . . . only" wording. Similar concern was expressed about the works bus exemption in clause 45. In the light of our amendments to clause 45, we thought that it would be helpful and welcome if we made a similar change to clause 47, to replace the "substantial compliance . . . only" formulation with a main-use test. That is what amendment No. 13 would achieve.

On the subject of green transport plans in general, I emphasise that Her Majesty's Treasury does, indeed, have a green transport plan. It encourages employees to use bikes and buses to get to work, and the proof of its success is demonstrated by the number of bike parks used within the Treasury building.

I commend the amendment to the House, in the certainty that it, too, will meet with an unreserved welcome.

7 pm

Mr. Flight: I support the amendment and, indeed, clause 47. As has been pointed out, the amendment applies similar common sense and fairness to cycling as the previous amendments did to bus transport. I cannot resist commenting that my hon. Friend the Member for West Dorset (Mr. Letwin) could not have spoken on this amendment without declaring an interest as a regular cyclist.

Mr. Oliver Heald (North-East Hertfordshire): Does my hon. Friend think that it is rather shocking that, on such an important green issue, not a single Liberal Democrat is present?

Mr. Flight: They have clearly got on their bikes.

Interestingly, this measure will be used mostly in towns, whereas those that apply to buses will be most used in rural areas. It will be interesting to note to what extent the provision encourages bicycle transport in towns, because it amounts to a considerable tax perk. Companies will be able—as a result of the amendment, without too many strings attached—to give people bicycles on which to travel to work and to use privately. That may lead to a substantial increase in cycle transport in cities.

Not having looked up the definition of a cycle, I wonder whether the measure will be wholly limited to pedal-driven vehicles, or whether it will cover any degree of petrol usage, as might pertain to the French velocette. I suspect that the former will be the case. We support the amendment and the clause, and are grateful to the Government for introducing it.

Mr. Healey: I, too, welcome the amendment. It improves a clause that is already innovative and an important departure from the past. The amendment loosens and improves the definition for tax-exemption purposes of what counts as bicycle use. My hon. Friend the Economic Secretary will be aware that the all-party cycling group, which is so ably chaired by my hon. Friend the Member for Exeter (Mr. Bradshaw), has pressed this point. I believe that it will very much welcome the amendment, which represents a more realistic reflection of the way in which people use bicycles, and will do much to encourage more people to take advantage of the tax break.

I spent 10 years working in London without ever using the tube. I went everywhere on an old, sit-up-and-beg, single-speed boneshaker with rod brakes, which was worth a tenner, and would therefore not have benefited from the tax relief on capital cost under the clause. I used that bicycle for many non-standard work journeys—from C to D to E to F throughout central London—rather than just for the A to B, home-to-work journey every day. Will such use be covered by the provision as amended?

I shall leave my hon. Friend the Economic Secretary with a point made by my hon. Friend the Member for Wimbledon (Mr. Casale) in Committee. If the measure is to have the intended impact, people must know about it. I urge my hon. Friend the Economic Secretary and her colleagues in government to give serious thought to promoting this important and innovative tax change.

Mr. Nicholas Winterton: I rise not as a dissenting voice in the harmony across the Chamber, but merely to solicit some information.

My hon. Friend the Member for Arundel and South Downs (Mr. Flight) was, as ever, gracious in the way in which he responded to the Economic Secretary, but he did not ask the question which I thought he was about to ask. I am aware that some pedal bicycles are fitted with a small auxiliary petrol engine, which can be incorporated into the pedal power of the cycle when an adverse gradient is encountered. I do not know whether such a mechanism automatically switches on or whether the rider must activate it.

Mr. Healey *rose—*

Mr. Winterton: I am very happy to give way to the hon. Gentleman, who knows far more about these things than I.

Mr. Healey: Perhaps I can help the hon. Gentleman. He is referring to what in France is called the velosolex, to which the hon. Member for Arundel and South Downs (Mr. Flight) referred. It is activated with a lever and a clip. When one wants to lower the engine on to the wheel, one does so manually.

Mr. Winterton: It is at times like this that the House is at its most informative and helpful. I thought that my

hon. Friend the Member for Arundel and South Downs, whose knowledge on matters financial I respect, was about to ask whether such a pedal cycle would be included under the amendment. I hope that the Economic Secretary is listening; as ever in this House, I am trying to be helpful. Is the hon. Lady listening?

Ms Hewitt: Yes.

Mr. Winterton: Can the hon. Lady give me an answer to the question whether such cycles will be covered under the amendment which she so articulately and courteously moved? I see that those in the Box have quickly provided the answer—at least I hope they have.

Ms Hewitt: I must confess that I had not anticipated a debate about the meaning of the word bicycle, but clearly I should have done so. Perhaps it would assist if I drew attention to section 192 of the Road Traffic Act 1988, in which a cycle is defined as

"a bicycle, a tricycle, or a cycle having four or more wheels, not being in any case a motor vehicle".

Therefore, I must disappoint the hon. Member for Arundel and South Downs (Mr. Flight) on the issue of velocettes or whatever. A bicycle that is powered by a motor would not qualify under the definition in the 1988 Act. Should the single market in power-driven bicycles take off, this is no doubt a matter to which we will return in a future Finance Bill debate.

My hon. Friend the Member for Wentworth (Mr. Healey) raised the question of non-standard journeys. Perhaps I can reassure him that, so long as the journey or any combination or element of it is related to work, the benefit from the cycle will not be taxable and the exemption will indeed apply. My hon. Friend also rightly raised the issue of publicising the tax exemptions that we are giving to green transport plans. We shall certainly be working with green organisations and cycling bodies particularly, as well as with employers' and employees' organisations, to ensure that people receive full information and are encouraged to take advantage of the exemptions.

The hon. Member for Arundel and South Downs referred in our earlier debates to the flourishing mushroom factory in his constituency. Perhaps I may be forgiven for saying that we hope that as a result of this package, green transport plans will also mushroom.

Amendment agreed to.

Clause 61

RELEVANT DISCOUNTED SECURITIES

The Financial Secretary to the Treasury (Mrs. Barbara Roche): I beg to move amendment No. 15, in page 35, line 27, leave out 'sub-paragraph (2)' and insert

'the following provisions of this paragraph'.

Mr. Deputy Speaker: With this, it will be convenient to discuss Government amendments Nos. 16 to 24.

Mrs. Roche: Clause 61 is designed to prevent avoidance of tax through an artificial scheme that exploits a feature of the definition of a discounted security. The effect is that a discount on a security which should be taxed as income over the lifetime of the security is charged only as capital gains tax and only when the security is disposed of or redeemed. The clause changes the definition of a discounted security so that it will no longer be possible to use that device.

The Government received a number of representations expressing concern that the clause went too far and would catch securities for which any discount that arises is small in absolute terms and obtainable only in the case of an event that is outside the control of the parties to the security. We listened carefully to the industry and examined the representations. As I said in Committee, we recognise that clause 61 might catch some securities where it would not be appropriate to do so.

We therefore published, during the Bill's passage through the House, draft amendments for consultation, and we have received comments from practitioners. The amendments before the House are slightly different from those published in draft form and take into account our considerations following the representations that we received.

The amendments would target the clause more closely on the objectionable transactions. They deal with the concerns expressed about the current version of the clause, without reopening the possibility of the avoidance at which the clause is aimed. I commend the amendments to the House.

Mr. Flight: The amendment, which we welcome, is yet another example of the result of over-zealous but somewhat sloppy initial attempts to introduce tax avoidance measures. The original proposals aimed to close a loophole through which bonds had been issued which offered a redemption premium in place of interest payments, and which had previously escaped the relevant discount securities regime. However, the proposals went much further and would trigger what is known as the Spens clause.

I should declare an interest at this point. I have some knowledge of bonds because I ran an investment management business for 25 years. There are unit trusts holding some £12 billion of bonds which, under the original proposals, could have found that their capital gains were assessed under income tax rules, and that would have affected hundreds of thousands of small investors.

As the Financial Secretary pointed out, the amendments serve—as was the original intent—to exempt from the anti-avoidance measure the Spens clause arrangements where redemption premiums can be paid at the issuer's option, in circumstances in which the owner can have no influence over that, except in cases of connected companies.

Various learned tax lawyers and the financial services industry generally take the view that the amendments reflect the Government's original intention. We therefore welcome them. However, although it can be difficult initially to focus anti-avoidance measures so that they will not cause injustices way beyond their intended effects, we should like to think that in future there will be a greater effort to get such measures right first time.

7.15 pm

Mr. St. Aubyn: I thank Ministers on the Treasury Bench for finally getting their act together on this complicated issue. Why are they prepared to go to such lengths to make sure that these anti-avoidance provisions are sufficiently finely honed to deal with the mischief about which the Government were originally concerned, when last night, in the case of the sale of trust interests for capital gains tax purposes, they introduced a very crude anti-avoidance measure? It was so ill-thought-out—

Mr. Deputy Speaker: Order. I hope that the hon. Gentleman does not intend to dwell on what happened last night—we have moved on.

Mr. St. Aubyn: No, I do not mean to do so, Mr. Deputy Speaker. However, we need to know why the Government are now making such an effort while in that case they were prepared to breach the terms of their own code for fiscal stability by not adhering to the cardinal principle of tax neutrality.

Mrs. Roche: It always pains me considerably to break the mood of consensus and all-party support, but I must do so. As the hon. Member for Arundel and South Downs (Mr. Flight) knows, because this is an anti-avoidance measure and substantial amounts of taxpayers' money are at stake, it would not have been appropriate to issue draft clauses for consultation before the measure came into effect. However, because this Government listen and develop our policies properly, the Finance Bill process allowed us to consult on the details of the measures and to make improvements.

In the gentlest way possible, I say to the hon. Gentleman and the hon. Member for Guildford (Mr. St. Aubyn) that the amendments and the clause complete yet more unfinished business left to us by the previous Conservative Administration. They will know and appreciate that we have had to deal with the deficiency of definition in the Finance Act 1996.

Mr. St. Aubyn: Will the hon. Lady give way?

Mrs. Roche: No. I say to the hon. Gentleman exactly what I said to him in Committee: in 1996, 200 amendments on this matter were tabled two days before the debate in the House, and the Conservative Government had to vote down a clause. I have great pleasure in commending the amendments to the House.

Amendment agreed to.

Amendments made: No. 16, in page 35, line 32, leave out 'that is capable of' and insert

'of which there may be a'.

No. 17, in page 35, leave out lines 37 to 42 and insert—

'(1A) The occasions that are to be taken into account for the purpose of determining whether a security is a relevant discounted security by virtue of sub-paragraph (1)(b) above shall not include any of the following occasions on which it may be redeemed, that is to say—

(a) any occasion not falling within sub-paragraph (1C) below on which there may be a redemption otherwise than at the option of the person who holds the security;

(b) in a case where a redemption may occur as a result of the exercise of an option that is exercisable—

(i) only on the occurrence of an event adversely affecting the holder, or

(ii) only on the occurrence of a default by any person,

any occasion on which that option is unlikely (judged as at the time of the security's issue) to be exercisable;

but nothing in this sub-paragraph shall require an occasion on which a security may be redeemed to be disregarded by reason only that it is or may be an occasion that coincides with an occasion mentioned in this sub-paragraph.

(1B) In sub-paragraph (1A) above 'event adversely affecting the holder', in relation to a security, means an event which (judged as at the time of the security's issue) is such that, if it occurred and there were no provision for redemption, the interests of the person holding the security at the time of the event would be likely to be adversely affected.

(1C) An occasion on which there may be a redemption of a security falls within this sub-paragraph if—

(a) the security is a security issued to a person connected with the issuer; or

(b) the obtaining of a tax advantage by any person is the main benefit, or one of the main benefits, that might have been expected to accrue from the provision in accordance with which it may be redeemed on that occasion.

(1D) In sub-paragraph (1C) above 'tax advantage' has the meaning given by section 709(1) of the Taxes Act 1988.

(1E) Subject to sub-paragraph (1F) below, where a security which is not a relevant discounted security but which would have been such a security if it had been issued to a person connected with the issuer—

(a) is acquired by a person who is so connected, or

(b) is held by a person who becomes so connected,

this Schedule shall have effect, in relation to times falling at or after the time of the acquisition or, as the case may be, the time when that person became so connected, as if the security were a relevant discounted security.

(1F) Where a security which—

(a) is a relevant discounted security, but

(b) would not be such a security but for sub-paragraph (1C)(a) or (1E) above,

is acquired by a person who is not connected with the issuer, this Schedule shall have effect, in relation to that person, as if the security ceased to be a relevant discounted security at the time of the acquisition.".'.

No. 18, in page 35, line 42, at end insert—

'( ) After sub-paragraph (2) of that paragraph there shall be inserted the following sub-paragraphs—

"(2A) Nothing in sub-paragraph (2)(c) above shall prevent a security that would have been a relevant discounted security if it had been issued to a person connected with the issuer from being treated as a relevant discounted security by virtue of sub-paragraph (1E) above.

(2B) Nothing in sub-paragraph (2)(f) above shall prevent a security from being treated as a relevant discounted security by virtue of sub-paragraph (1C)(a) or (1E) above.".'.

No. 19, in page 35, line 43, at end insert—

'(2A) After sub-paragraph (6) of that paragraph there shall be inserted the following sub-paragraphs—

"(7) Section 839 of the Taxes Act 1988 (connected persons) applies for the purposes of this paragraph.

(8) In determining for the purposes of sub-paragraph (1C), (1E), (1F) or (2A) above whether a person is or becomes connected with the issuer, no account shall be taken of—

(a) the security mentioned in that sub-paragraph; or

(b) any security issued under the same prospectus as that security."

(2B) In paragraph 10 of that Schedule (issue of securities in separate tranches), after sub-paragraph (3) there shall be inserted the following sub-paragraph—

"(4) For the purpose of determining whether a security held by a person who is not connected with the issuer is a relevant discounted security by virtue of this paragraph, a security which—

(a) is a relevant discounted security, but

(b) would not be such a security but for paragraph 3(1C)(a) or (1E) above,

shall be assumed not to be a security falling within sub-paragraph (1)(b) above."

(2C) In paragraph 13 of that Schedule (excluded indexed securities), after sub-paragraph (8) there shall be inserted the following sub-paragraph—

"(9) In this paragraph references to redemption, in relation to a security, do not include references to redemption of the security on any such occasion as, by reason of sub-paragraph (1A) of paragraph 3 above, is not to be taken into account for the purpose of determining whether the security is a relevant discounted security by virtue of sub-paragraph (1)(b) of that paragraph."

(2D) In section 92 of that Act, after subsection (6) there shall be inserted the following subsections—

"(7) Where an asset representing a creditor relationship of a company—

(a) ceases at any time to be an asset to which this section applies, but

(b) does not cease at that time to represent a creditor relationship of that company,

the company shall be deemed for the purposes of the Taxation of Chargeable Gains Act 1992 and this Chapter to have disposed of the asset immediately before that time for the relevant consideration, and to have re-acquired it immediately after that time for the relevant consideration.

(8) Any deemed disposal and re-acquisition under subsection (7) above shall be treated for the purposes of that Act of 1992 as a transaction in the case of which—

(a) sections 127 to 130 of that Act would apply, apart from the provisions of section 116 of that Act, by virtue of any provision of Chapter II of Part IV of that Act;

(b) the asset in question represents both the original shares and the new holding for the purposes of those sections;

(c) the market value of the asset at the time of the transaction is an amount equal to the relevant consideration.

(9) Subject to subsection (10) below, in subsections (7) and (8) above 'the relevant consideration', in relation to an asset, means the amount that would have been taken, in accordance with the relevant accounting method, to be the value of the asset at the time of its deemed disposal if that method had been applied to the asset for tax purposes at all times until then.

(10) Subsection (5) above shall not apply in the case of a deemed disposal and re-acquisition under subsection (7) above; but the amount of the relevant consideration in such a case shall be treated for the purposes of the Taxation of Chargeable Gains Act 1992 as reduced by so much (if any) of the amount mentioned in subsection (9) above as is referable to interest which—

(a) is not paid or payable to the company before the time of the deemed disposal; but

(b) is interest falling to be brought into account under subsections (2) and (3) above as having accrued before that time.

(11) In subsection (9) above 'the relevant accounting method', in relation to an asset representing a creditor relationship of a company, means the accounting method which, for the accounting period of that company in which the deemed re-acquisition takes place, is used as respects that asset and the part of that accounting period beginning with the deemed re-acquisition.'.

No. 20, in page 35, line 44, leave out 'and (2)' and insert 'to (2D)'.

No. 21, in page 36, line 3, leave out 'and (2)' and insert 'to (2D)'.

No. 22, in page 36, line 12, leave out 'and (2)' and insert 'to (2D)'.

No. 23, in page 36, line 20, leave out 'and (2)' and insert 'to (2D)'.

No. 24, in page 36, line 25, leave out 'and (2)' and insert 'to (2D)'.—*[Mr. Hanson.]*

Clause 122

ECONOMIC AND MONETARY UNION: TAXES AND DUTIES

Mr. Francis Maude (Horsham): I beg to move amendment No. 31, in page 90, line 6, after '122.', insert '(1)'.

Mr. Deputy Speaker: With this, it will be convenient to discuss amendment No. 32, in page 90, line 10, at end insert—

'(2) The said Commissioners shall make a report to the Chancellor of the Exchequer not later than 31st December 1999 on the exercise of their functions and on the amount and timing of the expenditure incurred in respect of subsection (1), and such report shall be laid before the Commons House of Parliament within a period of one calendar month.

(3) The Commissioners shall make further reports at intervals of six months, which shall similarly be submitted to the Chancellor of the Exchequer and laid before the Commons House of Parliament.'.

Mr. Maude: I am grateful to the Financial Secretary, who is now departing the Chamber, for breaking our spirit of consensus, because that saves me the effort of doing so in this debate. That spirit could not last for ever.

We move the amendments because we regard the clause as profoundly unsatisfactory. The principle that we seek to serve through the amendments is a clear one. It is to ensure proper accountability by the Government in all of their spending. Nowhere is that need clearer than where the Government have pledged to spend an unspecified quantity of taxpayers' money in pursuit of British membership of the single currency, or the euro. That is the proposal that is contained within clause 122. It empowers the Commissioners of the Revenue and of Customs and Excise to spend money to prepare systems in advance of any political decision by the House or apparently even by the Government, let alone by the people, to join the euro and to scrap the pound. Systems can be prepared well before there is any question of there being a referendum, when people will have the choice whether they want to scrap the pound to join the euro.

When there is uncontroversial legislation, Departments will often spend some money in advance of a formal decision being taken by the House. However, there is no

[Mr. Maude]

comparison between that traditional arrangement and the device that is being proposed in clause 122. Quite simply, the clause allows any amount of public money to be spent in advance of a decision following a national referendum, let alone of Britain actually joining the single currency .

Mr. Healey: How much would the right hon. Gentleman regard it as acceptable for the Inland Revenue to spend before a national referendum?

Mr. Maude: Questions about how much it is acceptable to spend should not be addressed to me. The Opposition have repeatedly asked what sums of taxpayers' money the clause allows the Government to spend. It is a blank cheque because no amount is specified. No estimate has been put before the House. The hon. Gentleman would do better to intervene when the Economic Secretary rises to reply, to ask her how much taxpayers' money she is proposing to shell out on this project without the people having had any chance to adjudicate on whether they want it to be implemented.

As the Government's turmoil over the single currency in the past month shows, the result of any referendum is no foregone conclusion, although that is what the clause is designed to try to achieve. The Government's natural inclinations show through in a measure that is oblivious to public opinion and wasteful of public money and that cocks a snook at democracy. I suppose that it is the natural solution for a Government who hope that the state can steamroller its way through public opposition into a project which few people in Britain seem to want. As the Prime Minister was forced to admit recently, hardly anyone in the country wants the project.

Above all, we see a pretty cowardly attempt to encourage businesses to do the dirty work of persuading people to want to scrap the pound. In what is no more than a charade now, the Government hide behind the five economic tests that they set out nearly two years ago and delay the day when they must make a public decision. The experts are more and more doubtful whether those tests mean anything. Mr. Buiter of the Bank of England's Monetary Policy Committee has said:

"Except through a fluke, the UK will not join EMU at a time when the business cycles . . . are synchronised."

The requirement or condition that the British economy should be synchronised or converged cyclically with the continental economies is a fundamental condition for Britain joining the euro. Yet here we have a Government-appointed expert saying that that will not happen.

The Deputy Governor of the Bank of England, Mr. Mervyn King, recently commented:

"You would probably need 200 to 300 years of data. You will never arrive at a point when you will be confident that the cycles have converged."

I am referring to experts who have been appointed by the Government. They make it obvious that any decision to join the single currency that is taken by the Government will not be based on certain economic conditions being fulfilled. On the most important one of all—cyclical convergence of the economies—the Government's experts at the Bank of England say that, effectively, that will never be met. That is the clearest sign that, if they find themselves in the position to do this, the Government will fudge the conditions and move ahead anyway, which is what they want to do. That is why the Government are apparently willing to start spending money on preparations for Britain to join the euro. They wish to soften up the electorate now while maintaining that there is an economic tripwire in relation to the conditions. That tripwire does not exist.

Mr. Geraint Davies (Croydon, Central): Is the right hon. Gentleman aware that the National Audit Office audits the accounts on an annual basis? What is more, the appropriation accounts focus specifically on areas where there might be difficulties of change. Therefore, the amendment is completely redundant. Can the right hon. Gentleman give any particular reason why the expenditure that we are discussing, which will be transparently reported by the NAO in two sets of accounts, should be the subject of yet another layer of bureaucracy and extra costs for his own party political reasons?

Mr. Maude: If that is all the case, that is a powerful reason for the Government, if they are genuine in their desire to be open about these matters, to accept the amendments. They will then be incorporated in the Act, as it will then be, and the requirement will be there. However, the House is being asked, effectively, to sign a blank cheque. We think that that is wrong. If, as we contend, the process is being handled wrongly, a proper requirement for full auditing and for full transparency on a six-monthly basis would seem to be the least that the House, in pursuit of its historic task of controlling expenditure, should require the Government to agree to. I hope that the Economic Secretary has heard the point made by the hon. Member for Croydon, Central (Mr. Davies) and will be persuaded by him that there is no problem in accepting the amendments.

Mr. Davies: The amendments are about reporting, not limiting, the cost. I am contending that the cost is reported in any event. Therefore, the amendments are unnecessary and we should get on with business.

Mr. Maude: It would be advantageous in those circumstances for the amendment to be included in the Act so that there is an additional form of scrutiny. There is no way otherwise of exercising any control over the amount that the Government spend. The hon. Gentleman may be happy to tell his constituents that, in his great role as a Member of this place, exercising his historic role of controlling the Government and controlling public expenditure, he sat on his hands and thought that it was fine to write a blank cheque for the Government to spend. He may think that, but we do not.

Mr. Davies: Will the right hon. Gentleman give way?

Mr. Maude: No. The hon. Gentleman has made two silly points already. He may want the opportunity to make a fool of himself again, but the House will wish to proceed.

There is every sign that the Government are happy to pick taxpayers' pockets to fund a measure that taxpayers patently do not support. There is no sign of Ministers being willing to commit themselves publicly either to the single currency or to an early referendum. I suppose that

we should not expect an answer from the Prime Minister. He is rather like a first world war general. He is happy to push his colleagues over the top into the line of fire but is pretty reluctant to get tangled up in the barbed wire himself. General Blair is comfortably ensconced in his chateau ordering his faithful troops to clamber over the barbed wire when he blows the whistle. Not a peep from him, be it noted, until it comes to trying to trumpet and spin his new sceptical image on the single currency. Just the other day, he said that it was "daft" to consider entry straight away.

7.30 pm

Should we believe the Prime Minister's official spokesman, who said:

"The Prime Minister does not feel there is any need to persuade people to make a decision that does not yet have to be made"?

That was quite instructive. Why, then, do the Government ask the House to approve expenditure—to sign a blank cheque—in relation to a decision that the Prime Minister says does not have to be made yet? It is extraordinary. How persuasive is the Government's case to allow the Revenue or the Customs to spend public money, if the decision for which they are preparing does not, according to the Prime Minister, have to be made yet?

Perhaps we should turn to the Leader of the House for elucidation. She said recently that the referendum might not be called even in the next Parliament. Is that the official position? It rather looks as though those may turn out to be her famous last words. The confusion might be laughable, if those were not the people supposedly running the country.

A week or so ago, the Secretary of State for Trade and Industry said about the organisation Britain in Europe, which is campaigning for Britain to join the single currency, that

"because they"—

Britain in Europe—

"have changed their position the Prime Minister can endorse their programme."

That was all part of the web of confusion that the Government were so sedulously spinning, but it turned out not to be the case.

The noble Lord Marshall, the chairman of Britain in Europe, said immediately afterwards:

"We are not backing off the euro at all."

Clearly, the confusion runs far and wide.

Around the same time, the Prime Minister's famous official spokesman commented:

"I don't understand the purpose of Britain in Europe. Is its campaign about Britain in Europe, or is it saying it's the start of the campaign to join the single currency? The two things are entirely different."

He spotted that, anyway. The two things are indeed entirely different. What is puzzling is why he is so confused about the purpose. All that he needs to do is open the pamphlet issued by Britain in Europe and he will see there, as large as life and spelled out in words of very few syllables, that Britain in Europe is the campaign to persuade the British public that they should agree to scrapping the pound and joining the euro.

All the confusion has not impressed people in Britain in Europe. They said:

"We intend to press ahead with our campaign"—

for Britain to join the euro—

"and we don't intend to hold back for anyone".

Mr. Leslie: I am grateful to the shadow Chancellor for giving way. He is trading statements, comments and quotes. What is his reaction to the comment

"It would be completely crazy and contrary to the national interest to throw away our option to join the single currency",

especially as it was made by the hon. Member for Grantham and Stamford (Mr. Davies), his colleague on the Front Bench? What is his reaction to that?

Mr. Maude: A warm endorsement of our policy, which is not to throw away the option. The point that the hon. Member for Shipley (Mr. Leslie) has not got into his head is that the Prime Minister's and the Chancellor's policy of dragging Britain into the euro by stealth at the earliest opportunity is the policy that gives up the option. Once we have scrapped the pound and gone into the euro, we have no options at all, because the decision is irrevocable. As long as we stay out of the euro, we always have the option.

That is why our policy has always been the pragmatic policy. The dogmatic policy is the Chancellor's policy, which states that the Government are dogmatically committed in principle to Britain joining the euro. As soon as Britain joined the euro, if that were allowed to happen, the option would be gone. That is why the statement that the hon. Gentleman feels so clever for having quoted actually supports our policy.

Mr. Love: I thank the right hon. Gentleman for giving way. He mentioned the organisation Britain in Europe. Some of the best-known members of his own party are prominent in that organisation, and I note that they are not present in the Chamber this evening. Is not the Conservative party deeply split on the issue?

Mr. Deputy Speaker: Order. Perhaps we should return to the clause and the amendment before us.

Mr. Maude: If that is the best that the hon. Member for Edmonton (Mr. Love) can do, I suggest that he remains in a sedentary position.

Whichever of those apparently non-committal statements we prefer to believe—or none of them, in my case—the lack of leadership offered by the Government on the issue hardly makes a pressing case for the House to agree to the spending of money—the writing of blank cheques—that we are asked to agree tonight.

The national changeover plan—the handover plan—gives the game away, by showing that what we are being asked to do is not necessary. I refer the House to figure A in the changeover plan at page 18, which sets out a time line or critical path for Britain to scrap the pound and join the euro. It shows the various points: decision; referendum; UK joins; euro cash issued; and the end of the process, when the pound is finally scrapped.

There is a nice blue bar showing which process must start at which point. There is a bar marked "public sector", which I assume includes the Inland Revenue and

[Mr. Maude]

Customs and Excise. That blue bar does not start now. It does not even start at the point at which the decision is made. The bar starts when a positive decision is made in a referendum. Even if there were a rock-solid certainty that there would be a decision to join, which there patently is not, we do not need to contemplate the matter now. The Government's own document makes that clear.

It is not as though there is nothing before the point of decision. There is a nice blue bar showing that there must be legislation before the referendum. The banks would have to make preparations before the referendum, but there is nothing in the figure about the Inland Revenue and Customs and Excise. It is all there, in the public sector. According to the Government's own document, nothing needs to be done until there is a positive decision in a referendum.

Mr. Nigel Griffiths (Edinburgh, South): I remember the right hon. Gentleman saying in 1997 that he would make it clear to his constituents that he would oppose any legislation to adopt the euro. Has he now changed his mind?

Mr. Maude: What I am doing today is opposing legislation to adopt the euro. I do not know how I can make it clearer than that. We think that the measure is wrong. We think that the Government should not be asking the House of Commons to sign blank cheques and to force the taxpayer to spend money. If there is not a decision to join the euro—the Prime Minister himself accepts that hardly anyone believes that we should—that money is wasted money.

We have still had no answers from the Government about how much money is involved. We have still had no answers about how many schools will not get their extensions, and how many wards will have to be closed down to pay for this utterly unproductive expenditure on which the Government are so keen.

When the Economic Secretary replies, I should be interested to hear her explain the fact that the graphic in the Government's document makes it clear that there is no case for the measure that the Government propose. That graphic seems to have escaped the attention of the spin doctors. It lets the cat out of the bag. It makes it clear that there is no basis for the measure.

Not surprisingly, given how distant the Government are trying to make the possibility of a referendum appear, the Prime Minister has been a bit woolly about how much money the Government would spend. In his statement on the national handover plan on 23 February, he referred to the Inland Revenue and the Customs, saying:

"They may need to spend some money prior to a referendum to make their information technology systems euro-compatible".

He moved on to give us an idea of how much "some money" is, saying:

"such expenditures . . . will amount to some tens of millions of pounds spread over a number of years."

Will the Economic Secretary tell us today whether the measure that we are being asked to agree to amounts to tens of millions of pounds? If so, how many tens of millions? She must have some idea.

I cannot believe that Treasury Ministers would ask the House of Commons for approval to spend money without having any idea of how much would be spent, but our questions are met with a deafening silence. The Government are absolutely sure that agreeing to the measure is the right thing to do, but they cannot tell us how much that will cost. They have not quantified the benefits of Britain joining this effort, and they cannot tell us how much that will cost. Not a flicker of an effort has been made to cost the costs and quantify the benefits. How do they expect to persuade anyone that this is a good project for the country when the Government cannot even get to that point?

Mr. Leslie: Will the right hon. Gentleman give way?

Mr. St. Aubyn *rose—*

Mr. Maude: I shall give way to my hon. Friend the Member for Guildford (Mr. St. Aubyn). *[Interruption.]* The hon. Member for Shipley made such a poor fist of his previous intervention, I am saving him from embarrassment.

Mr. St. Aubyn: Does my right hon. Friend agree that the Prime Minister's readiness to tell businesses and taxpayers to reach into their pockets to spend money preparing for the euro contrasts starkly with his refusal to spend any of his own time promoting the project?

Mr. Maude: That is an absolutely fair point. The Prime Minister is keen to get other people to make the running because, although he and the Chancellor are absolutely committed to the project, to dragging Britain into the euro and to scrapping the pound by stealth—no one should be under any illusions about that—he is reluctant to put his head above the parapet because he understands that hardly anyone wants the euro. He has admitted that himself.

The Prime Minister makes the large claim that, "It's only tens of millions of pounds. That does not matter, it's just a rounding error." He justifies it by saying:

"The Government will be making active preparations for the euro, in the belief that it will be in this country's interests to join in the future should our economic tests be met."

We have already seen that those tests are bogus because the Government's own experts have accepted that the principal test will never be met. He went on:

"Business should start to do the same."—[*Official Report*, 23 February 1999; Vol. 326, c. 181.]

He seems to have overlooked the rather important difference between his Government's lavish spending plans and the day-to-day fight that many businesses face to survive against increasing regulation and mounting stealth taxes, which his Government are imposing weekly.

The Prime Minister seems to forget that, while 100 per cent. of small businesses pay the rising taxes that fund those spending plans, only six out of every 100 small businesses said that the euro would affect them a great deal and 46 per cent. said that it would not affect them at all. The big difference is that, although businesses have to budget carefully to remain in business, the Government think that they can throw money at the political problem, because the Prime Minister does not have the courage to take a lead on an issue that he knows is unpopular. He is trying to buy his way out of that with taxpayers' money, which is a case of, "Do as I say, not as I do."

That cannot be right—not when the funds needed to prepare for economic and monetary union may outstrip the cost of dealing with the millennium bug by as much

as 5:1. Whereas the millennium is at least foreseeable, the Government seem to be doing their best to spin an opaque web of disinformation around their own position. Why should business spend money to prepare when they refuse to give a coherent lead? Why should the taxpayer and the small business man bankroll a Government who are so unwilling to give a forthright lead?

It has been estimated by Lloyds TSB that those preparations will amount to £2,000 for every small business in the land. For many, that money will not be an investment with any prospect of payback—46 per cent. of small businesses say that the euro would not have any impact on them at all because they are United Kingdom-based. After all, 83 per cent. of Britain's national output is not sold in the eurozone at all—it is sold either here in Britain or elsewhere in the world—but the costs of preparing will fall on 100 per cent. of British capacity.

7.45 pm

There is little sign from the plan that the Government understand the demands of business. It talks blithely of how small businesses may have to take on extra staff to help the elderly to meet the challenge of the changeover, but small businesses cannot afford to take on more staff—certainly not with the cost and complexity of employing people increasing so rapidly under this Government. That is one reason why businesses are small.

The document's open advocacy of EMU is unfeigned. Talking, supposedly dispassionately, about the engineering sector, it says that

"50 per cent. of all engineering exports are to the EU. Historically, the sector has been vulnerable to fluctuations in the value of sterling."

What does that have to do with the changeover? The answer is nothing; it is just a party political broadcast on a supposed benefit of EMU. It is quite clear that, if the national changeover plan—which pretends to have foresight of which Nostradamus would have been proud—cannot avoid being political, we have every right to question the latest Government proposal to help to drag the United Kingdom into the single currency.

Mr. Leslie: Will the right hon. Gentleman give way?

Mr. Maude: No, I shall make some progress now.

It is time that the Government started to tell the truth about the real costs of joining the single currency. According to one survey, the real costs for businesses of changing are turning out to be 10 times higher than the European Commission predicted. That is surprising. We believe that it is absolutely right that the Government should account for their own spending and should come clean about what those costs will amount to and what the money will be spent on. It is also time that the Government came clean about some of the constitutional issues involved in the decision.

Mr. Geraint Davies: Will the right hon. Gentleman give way?

Mr. Maude: I shall give the hon. Gentleman another chance.

Mr. Davies: As I understand it, the right hon. Gentleman's position is to keep his options open and, at some point in the future, he could conceivably put to the British people the question whether to join the single currency. Would it be wise to make some preparations for the contingency of joining or should we put the question to the British people with no hope of business and the public sector being prepared for the tremendous changes that we might see? Would he let the British public down in such a way or would he prepare?

Mr. Maude: The hon. Gentleman is clearly the sort of chap who starts building a house before he has even applied for planning permission. It is mad to start spending money on an eventuality that the Prime Minister himself admits people do not want to happen and which cannot happen unless most people agree in a referendum that it should. Even the Government admit that, so it is crazy to start wasting money, which is scarce. The public services and businesses need it to create new products, services, jobs and wealth, but the Government think that it is fine to spend in such a way.

If the hon. Member for Croydon, Central looks at the time lines set out in the document, he will see that there is a considerable period between a decision being made in a referendum and the United Kingdom joining.

Mr. Davies: Will the right hon. Gentleman give way?

Mr. Maude: No, because plenty of other hon. Members want to speak in the debate. I have given way a great many times and I want to make progress. The fact is—*[Interruption.]*

Mr. Deputy Speaker: Order. I cannot allow the hon. Member for Croydon, Central (Mr. Davies) to shout across the Chamber.

Mr. Maude: If the Government do not want to call a referendum to test public opinion, they should not be asking the House of Commons to agree to spend taxpayers' money, either on departmental preparations or on the changeover plan. Our proposal offers a simple precaution: the Commissioners of the Revenue and of the Customs should account for every penny that they spend to get ready for EMU every six months, as long as the position remains as it is. On such a controversial political issue, is it not right that taxpayers should have the right to know in detail how much of their money is being spent on the project—in arrears, at any rate? If the Government are not honest enough to set that out in advance—when they are asking for the money to be spent—we should know how much is being spent on this project, which most people do not want. Surely that is part and parcel of proper scrutiny in a parliamentary democracy.

In an age in which it is claimed that government have learned some lessons from business, it is surely right that the Government should set themselves some budgetary limits.

There is a good reason why the Government want to spend so much public money so far in advance of a referendum. They want to prepare to scrap the pound and drag Britain into the euro by stealth. They want to sap opposition to their plans through a vast state-sponsored spendathon, and to spend so much taxpayers' money that a headlong rush into EMU becomes the only plausible option. That is arbitrary government, not parliamentary

[Mr. Maude]

government. That is why we have opposed, and will continue to oppose, the national changeover plan as a ploy dressed up in the language of prudence.

We shall continue to press the Government to sign up to the Neill report, which is of direct relevance to these provisions. They have shown a remarkable reluctance to sign up to the recommendations of Lord Neill and his committee. We should remind the House of one of his principal conclusions. The committee said:

"The Government of the day in future referendums should, as a Government, remain neutral, and should not distribute at public expense"—

Mr. Deputy Speaker: Order. The matters that the right hon. Gentleman is raising are wide of his amendment. He should get back to the amendment.

Mr. Maude: I shall move on to my final remarks.

There is a direct parallel with the Neill committee's recommendation. The Government are spending money without parliamentary authority to make the drive towards scrapping the pound inevitable. It is wrong for the Government to be involved in the campaign using taxpayers' money, as they have done. It is wrong from them, in this clause, to spend taxpayers' money, which will be utterly unproductive if the British people decide that they do not want to go into EMU.

The Government want the so-called national changeover plan to be a national handover plan. We oppose the sleight of hand that goads business into spending money on something on which the Government will not risk their popularity. Their leadership on the single currency is leadership from behind. Proper accountability is the responsibility of any democratic Parliament, especially the House of Commons.

The amendment guarantees proper scrutiny, and is in line with the conclusions of the Neill committee, on which the Government have promised they will act. I commend it to the House.

Dr. Cable: I am a little mystified about the purpose of the debate. We have been given a half-baked analysis of EMU—a few throwaway lines about the problems that it presents—and an equally half-baked analysis of the scrutiny process and the constitutional issues. We are not focusing on either subject properly. There is a genuine issue of constitutionality in relation to the preparations, and it should be dealt with openly and transparently.

When we debated this matter in Committee, the shadow Chief Secretary raised some technical points about the constitutional nature of expenditure commitments. As I am not a constitutional lawyer, I do not know whether he was right or wrong. The shadow Chancellor did not persist with those points. I do not know whether it was because they have been answered, but we need to focus on that aspect. We need a proper analysis of the constitutional position, and that is why I surprisingly supported the request of the hon. Member for Stone (Mr. Cash), among others, for a constitutional White Paper dealing with EMU in general and preparations in particular.

It is quite wrong for the Shadow Chancellor, to say that there is no mechanism for scrutinising this expenditure. As has already been said, the National Audit Office, the Select Committee on the Treasury, European Standing Committees and the Chancellor of the Exchequer's committee on EMU preparation, on which I sit and which has been convened precisely for that matter, exist for that purpose. I hate to remind members of the Conservative Front Bench that they were invited to sit on that committee. They procrastinated for three months: they put forward a name and then withdrew it. That committee is now meeting, and it has been fruitful.

Mr. Maude: Our position has been misrepresented before. When that Committee was being set up, we ascertained that it would not be involved in preparations for Britain to scrap the pound and to join the euro, and would be concerned solely with preparations for Britain to deal with the euro from outside while retaining its own currency. We thought that function wholly appropriate, so we nominated someone for the committee. However, we do not want to be involved in a process that we think quite improper until the British people have decided that they want to join the single currency. That is the time at which preparations should be made. One does not wheel the wagon half way across the river before asking the passengers whether they want to get to the other side.

Dr. Cable: I do not understand what impropriety is being committed, because the euro preparations committee comprises not only people who, like me, believe that Britain should be a member of EMU, but some fairly severe Euro-sceptics from Northern Ireland, who do not feel at all uncomfortable about sitting on that committee. It provides a forum. I have asked the chairman of the committee to prepare documents and to obtain from the Treasury detailed information on this preparatory process so that we can review it critically and perform a scrutiny function. Members of the Conservative Front Bench, whatever their original reasons, are missing a perfect opportunity that Parliament has provided.

To get back to the nub of the point, the objection seems to be that the Government should not engage in contingency planning for something that has not yet been approved by the British people in a referendum. That is irrational. The public and private sectors, in their different ways, engage in contingency planning: often very expensively. The defence budget is a form of contingency planning against events that we hope will never happen but for which we must be prepared.

As I said in Committee, I know from my private sector experience that many companies in the energy and property sectors spend large amounts of money purchasing options on future investments that they may never make. That is good commercial practice. We are confronted with a decision that we all agree—whether we are for or anti—is probably the most important that this country must make, and it should be taken well and in the full knowledge of what is required.

Mr. Swayne: Is not that the thrust of these amendments? They would allow us to scrutinise what is done with full knowledge. The hon. Gentleman seems to suggest that that scrutiny function should be carried out solely by his small committee. It should be undertaken by the whole House, as the amendments require.

Dr. Cable: That small committee would be larger in significance and number if the hon. Gentleman and his

colleagues joined it. We could have many other scrutiny mechanisms. There is no justification for stopping sensible forward planning and contingency planning.

Other points, which were thrown into the debate off the cuff and not as part of a coherent theme, related to the economics of EMU. I was surprised that the Conservative spokesman quoted in defence the views of Professor Willem Buiter, whose articles I have read. Professor Buiter is an independent-minded member of the Monetary Policy Committee, and has gone out of his way to argue—as distinct from the Governor of the Bank of England—that Britain should be a member of EMU and, moreover, that it is likely to succeed. That is a different position from the one that the right hon. Member for Horsham (Mr. Maude) has taken, so it is an odd choice of witness.

The other point of substance that the right hon. Gentleman made, with which I partly agree, is that there must be a proper test of economic readiness to join. We all agree on that. I am not arguing for entry tomorrow. It must be on the right terms and conditions, the most important of which is the exchange rate, which is not one of the five tests at present. It is not correct to say that it is absolutely necessary to have complete cyclical convergence. There is no reason why that should be achieved. We should converge at the same low level of inflation, which is broadly what has happened, and our cycles should be broadly compatible, but the myth has been perpetuated that the British cycle is different from that of continental Europe. It has been since 1990, when German reunification created a divergence of our economies, but throughout much of the post-war period the British and German economies have moved in parallel, and there is no reason why that should not resume in a few years' time.

The purpose of the debate is not to discuss the pros and cons of EMU: I am happy to join in that debate at any other time. It is about parliamentary scrutiny. It is right that the Government should make prior preparations, and it is right that that should involve certain expenditure and should be scrutinised, and we have a mechanism for that.

I agree with the Conservative spokesman on one point. He is right to say that the private sector is being invited to take substantial risks. It is being invited to make preparations without being given the clarity that I would expect. It is unfortunate that we have not already had a referendum, although that is water under the bridge. I feel that the Government must be clearer and more forthright about where they are heading, about their commitment to join and about the timing. On that if on nothing else, I agree with the right hon. Gentleman.

8 pm

Sir Peter Lloyd (Fareham): I strongly support the amendment. My right hon. Friend the Member for Horsham (Mr. Maude) put the case for it very well, especially in making the point that there is no real need to rush spending before the referendum. Figure A and the chart on page 35 of the changeover plan seem to endorse his view. Certainly, the amendment does not ask for very much; it simply asks for information, so that Parliament and the public can know how much the Inland Revenue and Customs and Excise are spending on preparation for our joining the single currency.

The single currency is a matter of growing public interest. In some it generates enthusiasm, as for an exciting new dawn; in others, it generates certain conviction that it will bring us no good. In most, however, it probably generates puzzlement and apprehension, as it becomes plainer that it is they who, in due course, will have to pass judgment, and say yes or no to the question of our actually joining.

The Finance Bill would give the Government authority to spend whatever money they thought fit to prepare the Revenue and Customs and Excise for the possibility that the answer will be yes. Because there is apparently no ceiling to that expenditure, the Government should surely, at the very least, keep a running total of what they spend, and then let the country know at regular intervals how much they are spending and on what.

This is not to deny the desirability of the Government's laying plans for our possible entry into the euro. As it is for the people to decide the matter by way of referendum, however, the Government should so organise themselves that the costs of joining are made clear, and the work that must be done to give effect to a yes vote is thought through well beforehand. The facts concerned are part of the evidence of which the public should be in possession, so that they can weigh them before deciding that the money is needed to put into effect the decision that they make.

I am sure that it is right for the Departments involved, when upgrading their procedures, programmes and equipment in the normal way of good housekeeping, to make certain that the new procedures, programmes and equipment are sufficiently versatile to handle the euro as well as sterling, so that greater expense and unnecessary delay are avoided if the voters eventually decide that joining the single currency would be to the United Kingdom's advantage. I am also sure that the Government ought to make the necessary plans and investment across the public sector to accommodate and facilitate trade in euros, and its use in domestic transactions when companies or individuals choose to make and receive payments in euros. That should be done regardless of whether we join the single currency. If we do not eventually adopt the euro, we shall want to be able to use it whenever it suits us, our businesses, or overseas visitors doing business here.

This country has prospered as a result of its openness and flexibility, dealing happily in any and every currency in which its customers want to trade. My own view has always been that, when the public are finally asked for their verdict, they will say no to a single currency. It is beyond the scope of this debate for me to say why, so I will not; but it is germane for me to say that I am not as worried as some of my colleagues—including, perhaps, my right hon. Friend the shadow Chancellor—that Government expenditure, assuming our entry into a single currency, will give the public the idea that entry is inevitable, and so cause them to vote yes in the referendum when they would have preferred to vote no.

It may be that some members of the Government who are enthusiasts for the single currency do have such an idea. They may see the unrestricted freedom to spend as a wonderful way of carrying the public psychologically into euroland before they have voted to join. I believe that such thinking, if it exists, is erroneous. I am sure that the public would resent and resist any attempt by the Government to use their money to foreclose on a decision that they, the public, had expected to make in due course—freely, in the light of the experience of other EU countries that have already adopted the euro. I believe

[Sir Peter Lloyd]

that, if the Government really want to take us into the single currency, they will find it counterproductive to give the public the impression that their assent was taken for granted, or the impression that they—the Government—seek to engineer entry in advance by means of a series of faits accomplis, especially if they do that by spending money that would be wasted in the event of a no vote.

Such an action on the Government's part would be of dubious constitutional propriety. I will not expand on that, as the Bill would give the Government the legal right regardless of the proprieties, as my right hon. Friend said earlier. What I will say, however, in an effort to be helpful to the Economic Secretary—although my right hon. Friend may not thank me for revealing this—is that the Government will do themselves a disservice if they reject the amendment, and deny themselves the chance to show that they have nothing to hide and no ulterior motive, but merely wish to be open and frank with Parliament and the electors.

If the Government do reject the amendment, they will leave in the public mind a suspicion that, at the very least, they want to retain the option of not being open and frank. They will also leave my right hon. Friend to argue convincingly that they are not coming clean: that they do have something to hide, and that they are spending money that need not and, indeed, should not be spent at this point. He will be able to argue that money that could usefully be devoted to the real needs of health and education, and spent in many other constructive ways, is being spent to secure the result that the Government want in the coming referendum.

That will not help the Government. It will suggest to the public not that entry to the euro is inev able, but that the Government have no real confidence in the objective case. It will weaken the case for entry by suggesting that that case is not strong enough to stand on its own merits. In their own enlightened self-interest, the Government ought to jump at the amendment with alacrity, saying that as they were planning to do what the amendment requires them to do in any event, they might as well accept it.

Sir Michael Spicer (West Worcestershire): I want to ask the Economic Secretary a brief question. Does clause 122 really apply only to the possibility of expenditure by the Commissioners on taxes that are likely come out of stage 3 of EMU, or is it possible that it could also apply to taxes that are emerging irrespective of stage 3?

We know that a mass of taxation is beginning to emerge in the existing legislation to which we are attached. The Government are conniving and contriving to increase the pace of that taxation at a remarkable rate. Luckily, they have been caught on the hop in regard to, for instance, the withholding tax. Commitments have been made. An answer that I received this week from the Paymaster General stated that not only eurobonds but all other forms of savings would be included, which is good news. Nevertheless, we all know that a mass of taxation is beginning to emerge, irrespective of stage 3.

What does the Economic Secretary think of all the taxation that is beginning to emerge? Is it not right that the amendments should apply, so that at least we know a little more about that taxation and any expenditure that is likely to be incurred by the Commissioners? Is the Bill giving the Government powers to anticipate the panoply of taxation that is beginning to emerge, irrespective of stage 3?

Of course, it is true that, in relation not just to harmonisation, but to increased expenditure, under stage 3 of EMU, there will be a massive increase in taxation, to which the clause and amendments apply. We all know why that is to be. Under EMU, wages will not be flexible, but prices will be very much on the move upwards and there will have to be a massive transfer of funds from the northern, rich parts of Europe to the southern parts and, therefore, an enormous new system of taxation. If we enter EMU, there will be enormous increases in taxation. Therefore, the clause is applicable.

One can perhaps understand, although it is highly unsatisfactory, why the Government want to prepare for the massive increase in taxation that would occur under stage 3. The real issue before Parliament, however, is whether what we are really doing is passing a clause and a Bill that will give the Government power to create expenditure in anticipation not of stage 3, which the Government seem to be running away from anyway—which some of us think is good news—but of other bad news: what Lord Denning called the on-rush of European legislation, the tidal flow down our rivers and estuaries, which goes on and on. That applies to taxation as much as anything else.

Therefore, it is legitimate to ask: will the clause apply well before stage 3 is entered into? Are the Government not conniving, both implicitly in the clause, and explicitly in the Councils of Europe, in a massive taxation regime, to be imposed on this country, irrespective of stage 3 of EMU?

Mr. Peter Luff (Mid-Worcestershire): It is natural that high emotions should attach to any debate on economic and monetary union, the single currency and any aspect of it, because people feel strongly on the subject. A variety of emotions have already been expressed by Conservative Members.

I declare myself with my right hon. Friend the Member for Fareham (Sir P. Lloyd), who says that he expects the people of this country eventually to vote no when the referendum is held. I also express the hope that they will vote no, but one does not need to get terribly worked up about the issue to suggest to the Economic Secretary that the amendment is thoroughly pragmatic and sensible and its rejection would be literally incomprehensible.

I agree with much of what has been said by my right hon. Friend the Member for Horsham (Mr. Maude), the shadow Chancellor, but forget all that for a minute. I understand what the hon. Member for Twickenham (Dr. Cable) said about the ability of Parliament to scrutinise the matter, but I do not understand why the amendment should do anything other than commend itself to the Government. I am sure that they have nothing to hide, but a rejection of the amendment would certainly suggest that they did.

The job of the House of Commons is to scrutinise the Executive. That would be made easier by the passage of the amendment, whatever other mechanisms already exist. I am sure that the Government have no wish to conceal from us any aspect of their expenditure in preparing to take us into a single currency—a move that is likely to be rejected anyhow by the majority of the British people.

I ask you, Mr. Deputy Speaker: do you think that any Chief Secretary to the Treasury would conduct negotiations with another Government Department which asked for a few tens of millions of pounds for something as on the basis of a bland assurance, say, "Oh that is fine, Fred. Have a few tens of millions for that"? We know that that is not the way in which such negotiations are conducted, but, so far, a bland assurance is all that the House has been offered. The Treasury notes on clauses simply say:

"the revenue departments may need to spend some tens of millions of pounds on preparations for possible UK entry to the single currency prior to a referendum".

I am against writing blank cheques in the House at any stage, never mind on a matter as controversial and important to the future of the economy and this country's constitution as the single currency. Does the Economic Secretary really think that she could conduct negotiations, if she were ever to be Chief Secretary, on the basis of assurances from her spending Ministers that they would live within their settlement—within the odd tens of millions of pounds here or there?

8.15 pm

My right hon. Friend the Member for Horsham said that it was a debate between pragmatism and dogmatism. He is right. The amendment offers the pragmatic view. What is wrong with exposing the information to public scrutiny? It is simple dogmatism to reject it. It will be dogmatism that makes the House and the country suspicious of the Government's motive in seeking to conceal the information from the House and the people.

The Government have laboured mightily to bring forth their freedom of information proposals and they have been widely criticised. Surely, they do not want to hide information, but they are acquiring a reputation for doing so. Rejection of the amendment will enhance public scepticism about the Government's true motives.

I understand the problem for the Government, and for the Prime Minister in particular. On the single currency issue, as on many others, one could never accuse them of sitting on the fence. They come down firmly on both sides of it. The Prime Minister says that he is the friend of the pound, but, privately, he is an enthusiast for the euro. He says both things to different audiences to confuse the enemy and opposition, but the changeover plan shows where the Government's heart really lies. The Government owe it to the House and to the people who put them in office to explain how much money they are spending on trying to persuade the public to vote against their instincts and for membership of the single European currency.

How much money do the Government intend to spend as a result of the clause? A reference to tens of millions is not good enough for the House. No parliamentarian should go through the Lobby tonight to allow the Government, according to some vague estimates, to spend tens of millions of pounds on something as important as the single currency. No parliamentarian worth his salt should even contemplate allowing the clause to go unamended on to the statute book.

Yesterday, the Government rejected tens of millions of pounds of help for pensioners when there was the option to change the taxation of savings. We estimated that the cost would be £85 million, which is backed by independent analysis, but a wild figure of £1 billion was thrown out from the Dispatch Box. A few tens of millions of pounds would have made a great difference to those pensioners. A few tens of millions of pounds would make a great difference to the Worcestershire social services department, which could do with a few tens of hundreds of pounds, never mind tens of millions, to help it out with its difficulties.

I have the great honour to be Chairman of the Select Committee on Agriculture. Last week, we had before us the permanent secretary of the Ministry of Agriculture, Fisheries and Food. Clearly, MAFF is scratching around for every odd pound that it can find here and there because of the incredibly tight settlement that was imposed on it during the comprehensive spending review.

The Ministry will face some difficult choices. A few tens of millions of pounds would help it considerably. The Government could abandon their plans to scrap harbour grants, and fishing safety grants, to cut research and development in MAFF and a host of other things, so why does the Treasury set one standard for itself on something as important as our membership of the single European currency, and another standard for every other spending Department? Why did we have the comprehensive spending review? Why did they not just say, "The Government are spending a few tens of billions pounds next year" and leave it at that?

It is preposterous, incredible and an affront to the House that the Government should insist on proceeding with the clause unamended. The Economic Secretary shakes her head in disbelief. I shake mine in disbelief at her. Tens of millions of pounds is a lot of money for every man, woman, child and family in this country, particularly when it is being used to prepare the country for something that it does not want.

Mr. Horam: The clause is a relic of the halcyon days, from the Government's point of view, when they thought that life in government was simple. The plan was obvious—they were hoping to win the next election, and if they did, legislation would be introduced to hold a referendum shortly thereafter. They would hope immediately to win a yes vote for entry into the euro. All would follow, so there had to be a national changeover plan.

My right hon. Friend the Member for Horsham (Mr. Maude) made the point that the national changeover plan contains a lovely chart, which sets out clearly where we proceed from one point to the end point, where we end up with notes. I noticed that it also said "end cash", which, in these circumstances—as I am sure my hon. Friend the Member for Stone (Mr. Cash) will agree—is rather symbolic. Nevertheless, a timetable of three and a half years was established.

Sadly, from the Government's point of view, those halcyon days are over—there are no more glad mornings. Since the European elections, the process has become etiolated, and it has been put ever further into the distant future. Should the Government win the next general election, will there even be a referendum in the first half of the next Parliament? Will there be a referendum at all in the next Parliament? How long will the process take? Even the Prime Minister must realise that the process will take much longer, and that it is much vaguer than it was

[Mr. Horam]

a year ago when the national changeover plan was proposed. The process has become extraordinarily vague, but clause 122 encapsulates the sense of certainty that the Government have lost.

As my hon. Friend the Member for Mid-Worcestershire (Mr. Luff) said, there is also the matter of the blank cheque. How much will be required? The Government have mentioned tens of millions of pounds for the process, although Tim Congdon and other economists have calculated that, if we were to go into the euro, the total changeover cost would be £2.5 billion; and that, even if we do not go into the euro, the cost will be £750 million. Those figures are being bandied about, and they cannot be totally irrelevant to the Government—who purchase 40 per cent. of everything purchased in the United Kingdom. The Government have huge purchasing power. Although they have vouchsafed to the House a potential changeover cost of tens of millions of pounds, the extent of their own procurement ensures that the changeover will have a far greater effect on them than that.

I remember when my hon. Friend the Member for Mid-Worcestershire and I were in government, and we were castigated by the then Opposition for signing an allegedly blank cheque for the private finance initiative; yet the PFI was operated wholly within departmental—in my case, the Department of Health—budgets, which could not be exceeded without the Treasury's agreement. However, clause 122 would go beyond any agreement between the Treasury and a Minister. It deals not with a certain unspecified sum that would have to be agreed between Departments, but, literally, with a blank cheque.

The fact is that we are now so far down the line—it is a year since the changeover plan was proposed—that Ministers must have some estimate, even a guesstimate, of the sort of figures involved in the changeover plan. The House should be told that estimate. I agree with my hon. Friends that we should be failing as parliamentarians, not to mention as Opposition Members, if we did not press for that information.

The hon. Member for Croydon, Central (Mr. Davies), in an intervention on my right hon. Friend the Member for Horsham, made the fair point that Opposition Members are not attempting to limit the spending provided in clause 122—and we are not. It would be foolish to try to limit the spending, as we do not know—any more than the Government do, apparently—the correct figures. We are simply trying to expose the information that is available. It is a matter of accountability, not simply of disagreeing with the figures proposed. We simply want the House and the public to know what is likely to be spent, what is being spent, and even what will be spent—as my hon. Friends have said—retrospectively on those very important matters.

Mr. Love: I have listened very carefully to the hon. Gentleman's comments, and he has finally got to the nub of amendment No. 31—parliamentary accountability. However, as Labour Members and the hon. Member for Twickenham (Dr. Cable) have said, there is already such parliamentary accountability in debates in this Chamber on the Public Accounts Committee's reports. Opposition Members should tell us why that parliamentary scrutiny is not acceptable.

Mr. Horam: First, that is an annual accounting. The National Audit Office examines matters annually, after which the Public Accounts Committee has to decide whether to deal with a specific expenditure item. The Committee has to choose from a crowded list of matters, and it may not have the time, even annually, to examine a specific subject in depth—as the changeover should be examined.

We are not asking for something that the Government are not already doing. In the Government's own document on the national changeover plan, at the very end they state:

"The Treasury will report on progress on this further work in the euro preparation unit's next six-monthly report and produce a further plan in around a year's time."

We are simply asking for the EPU's six-monthly report to the Treasury to be reported also to the House. In their own document, Ministers state that they believe that six months is the right interval in which to report on that expenditure stream. I therefore think that it is not unreasonable for hon. Members to ask for any progress to be reported to them in a sensible way. I also do not think that the National Audit Office and the Public Accounts Committee are the right forums to deal with that six-monthly report.

Mr. Oliver Letwin (West Dorset): My hon. Friend is making the most interesting speech. Does he agree that—unless we have that canard come back to us from the Minister—there is a third reason for the House to be provided with the information? The National Audit Office could justify the expenditure as wholly effective and proper—as it would be achieving the very result that the Bill was trying to make it achieve—even if huge sums were spent with the sole purpose of driving us into the euro.

Mr. Horam: Indeed. The other point is that, by definition, the National Audit Office will take a non-political view on the matter, but does not always have the access to Government papers that it should. Perhaps it should have further powers. Moreover, the Public Accounts Committee, with a Labour majority, may or may not decide that it wishes to investigate the matter in depth.

We are right to want to consider the matter separately. There should be an audit trail so that we can examine the matter systematically and discover how the expenditure is being used. We need to know not merely the total amounts involved, but how the money is being spent. I assume, from what the Government have said, that the national changeover plan deals not with private sector expenditure but with expenditure by the public sector for its own purposes. It also provides for information to be provided to the private sector so that it may prepare for a putative national changeover to the euro. That is the content of the changeover plan.

Mr. Loughton: What possible confidence can we have in the Government's accountability to this House when every time Opposition Members have asked Treasury

Ministers for a rough idea of the sort of amounts involved, they have wholly and utterly evaded any figure, or even a stab at a figure?

Mr. Horam: My hon. Friend is right; we will get no estimate this evening from the Economic Secretary. I give full credit to the hon. Lady for her words on green and environmental matters, but on this matter she will be bound tightly by Treasury rules and will not be able to say anything about possible expenditure. However, we are some way down the track on these matters, and we should by now have some idea of what is likely to be spent.

Mr. Luff: Does my hon. Friend agree that it is a question not just of the amount of money but, how the money is actually spent? The lack of any definition of categories of expenditure is extremely worrying and could have wide-ranging implications. The clause, as drafted, is capable of wide interpretation.

Mr. Horam: My hon. Friend is right. I have looked through the reports on the national changeover plan and I can find nothing other than two vague categories in this area—public expenditure on its own purposes, and measures to inform the public of what is happening. We need more definition, clarity and exposure to parliamentary scrutiny.

I agree with my right hon. Friend the Member for Horsham that the proposal is simple pragmatism, although I disagree with those who talk about emotion. This is low-key matter of parliamentary scrutiny, so we can take the emotion out of it. Whether one is for or against the euro, this is a matter of simple, pragmatic parliamentary exposure and discussion which should be dealt with on that basis. I hope that, in those terms, the Government can agree to the amendments.

8.30 pm

Mr. Swayne: Were I an evangelical advocate of the abolition of the pound—and, despite the Prime Minister's belief that such a position is daft, I understand that such people exist—I would nevertheless advocate that the Government accept the amendments. The existence of clause 122 demands such scrutiny. The clause states:

"Customs and Excise may incur expenditure".

I am afraid that I did not follow my hon. Friend the Member for Mid-Worcestershire (Mr. Luff) in his assertion that tens of millions of pounds were involved. Any amount of money might be involved over any period of time.

Mr. Luff: For the record, I entirely agree with my hon. Friend. That was not my estimate; I was relying on the vaguest estimate that we have from the Government, which is in the notes on clauses. The amount could be hundreds of millions of pounds.

Mr. Swayne: I thank my hon. Friend for that clarification. That begs the question: on what might those amounts, whatever they might be, be spent? The clause states that Customs and Excise may incur expenditure

"to exercise their functions relating to taxes and duties (including agricultural levies of the European Community)."

Despite racking my brains, I am unaware of how those concerned might properly spend any sum of money, never mind the unspecified amounts suggested by the clause. Therefore, the clause demands the amendments tabled by my right hon. Friend the Member for Horsham (Mr. Maude). It demands scrutiny and accountability. The lack of accountability and any proper answer to our questions adds to the requirement for such scrutiny.

I will listen with interest to the Economic Secretary when she tells us precisely how she anticipates these funds will be spent. I hope that she will do so when she gets up to tell us that she will accept the amendments. Any reticence on her part, or any decision not to accept the amendments, will only reinforce the sense of suspicion and concern that something is being stitched up behind people's backs in precisely the same way as in 1975, when the people were duped, and one campaign, the "Britain in Europe" campaign, outspent the 'No" campaign by 10:1.

I am sorry that the hon. Member for Croydon, Central (Mr. Davies) has left the Chamber. He asked in what way the amendments provided any control over expenditure. In one sense, he was right: they do not give us the ability to control expenditure—which, if I may say so to the Economic Secretary, is a good reason why she should accept the amendments. They do not give us the ability to control whatever it is that she wishes to spend on whatever it is that she wishes to spend it on. They merely give us the right to know what she has spent and what she has spent it on, which would at least provide some constraint on the expenditure.

Not only do we not know what will be spent and what it will be spent on, but we do not know for how long it might be spent. I suggest that it could be a very long time indeed. The Government have made it clear that the event that the expenditures are designed to achieve—the abolition of the pound—cannot happen until there is sustained convergence.

I did not agree with the suggestion of the hon. Member for Twickenham (Dr. Cable) that convergence had already taken place and that the British economy had moved closer to the European economies in the late 1980s. If the British economy is moving in an orbit around the European economies, it is an elliptical orbit, because it would appear that over the past 25 years it has diverged rather than converged.

The key question is: what has caused that? I suggest that the principal cause is the volume of British trade that takes place with the United States and elsewhere and the consequentially large volume of assets and asset income. Because of those long-term changes, it is highly unlikely that the Government's timetable will be realised. The time scale for the expenditure is in fact very long, so it is highly pertinent for us to have the scrutiny that the amendments offer, which would preserve Parliament's ability to hold the Government to account.

Mr. Loughton: Conservative Members have made some powerful points. It was clear that the debate was not going the Government's way when the hon. Member for Croydon, Central (Mr. Davies) was summoned away by pager and the right hon. Member for Hartlepool (Mr. Mandelson) wafted in. I fear, though, that the heat has been too intense even for him and he has slunk away because even he knows that it is a losing battle. He has gone off, officially or unofficially, to represent the No. 10 view with yet another anonymous foreign diplomat.

My right hon. Friend the Member for Fareham (Sir P. Lloyd) put his finger on it: the debate is not about whether and when we want to join the euro or what

[Mr. Loughton]

damage or good it may do to the economies here or in Europe, but about transparency and democratic accountability.

Today, the Economic Secretary has been in Committee debating the Financial Services and Markets Bill, which is all about accountability, cost to consumers and industry and the guarantee that we are seeking that everything will be up front, which I hope the Government will go along with. This afternoon, the Secretary of State for Health said that of course all the costs of his new-fangled health plan would be made public—so it is ironic that this evening, on an open-ended and potentially enormous issue, the Government are asking for our authority for an entirely blank cheque. As my right hon. Friend the shadow Chancellor said, that cocks a snook at the whole democratic process.

It was only on 23 February that the Prime Minister—uncharacteristically—came to the House and devoted all of 67 minutes to announcing the changeover plan and answering questions on it. That has been the House's sole opportunity to question a member of Her Majesty's Government on the changeover plan. Attempts to secure other appearances have been evaded and wafted aside. Yet within a month of that statement, the Bill was published, with this provision hidden deep among the latter clauses. It gives the Government the most enormous blank cheque which, as my hon. Friend the Member for New Forest, West (Mr. Swayne) said, is not even time dated.

I am not in the business of writing blank cheques. No Conservative Member is. When I receive a tax bill from the Inland Revenue I expect to pay the amount stipulated at the bottom. I do not expect to pay an amount that may be thousands—or even tens—of pounds more. Similarly, when I get my council tax bill I expect to pay the amount stated, not some amount that may be much higher, of which I may—or may not—be informed at a later date, for added expenditure whose details may—or may not—be revealed.

It is ironic that the Government should go on about all their proposals being fully costed. They have done so since before the election. They constantly go on about measures that will be paid for by taxation elsewhere.

Earlier this afternoon, the Economic Secretary used a well-worn phrase when she spoke about the "black hole" that would be left by Opposition proposals, but this clause makes a black hole look like a vicarage tea party. The Government should never again have the temerity to ask Conservative Members how much our amendments to legislation might cost. That remark displayed nerve beyond belief.

The clause is about the inevitability of gradualism, by means of which Britain will be driven into the euro behind everyone's back. It is about membership of the euro by stealth. If the Government stick to their promise of holding a referendum on the matter, the balance of probabilities is that the British public will vote resolutely against entry into the euro. That was true a year ago and remains true now. It will still be true in two years, and in the dim and distant future.

The latest opinion poll showed opposition at a record level, with more than two thirds of the public against joining the euro. The Governor of the Bank of England has said that going into the euro would be the most enormous leap of faith. Just two weeks ago, the Secretary of State for Trade and Industry, on his not terribly successful visit to China, admitted that Britain's economy was large enough to merit having its own currency. So why are the Government asking for funds to go completely against that statement of fact?

The Government's policy ignores the fact that 80 per cent. of the world's financial trade, and 60 per cent. of commercial trade, is transacted in dollars. So what are the Government doing about preparing to ensure the stability of the dollar? That is a far more important currency for our financial and commercial markets, and is likely to remain so for some years, but the Government are doing nothing to ensure its stability.

What are the Government doing to plan for what the hon. Member for Croydon, Central (Mr. Davies) called the contingencies of a no vote in a referendum? Everything is geared to a yes vote being secured. Nothing is being done to prepare for a no vote, or to protect our more important trade conducted in dollars.

Mr. Bercow: Does my hon. Friend agree that, unless our amendments are passed, the situation will be perilous indeed? The president of the Bundesbank has said that within a single European currency it is an illusion to think that member states can retain their autonomy over taxation policy, but the Government have always rejected that view. Does not my hon. Friend think it peculiar that clause 122 provides for the exercise of functions relating to taxes attendant on entry to European monetary union, when previously the Government have insisted that the prospect of income tax control through EMU was a nonsense? Is there not a contradiction in the Government's position? Have the Government not slipped out the truth, so to speak, by stealth?

8.45 pm

Mr. Loughton: My hon. Friend puts his finger precisely on the point. So great, in fact, is the emergency before us that the Chancellor has joined us for the first time tonight. The right hon. Member for Hartlepool plainly pressed all the panic buttons when he left the Chamber.

Mr. Maude: He would not have phoned the Chancellor.

Mr. Loughton: Wonders will never cease. There has been yet another shift in alliances within the Government.

Only 18 per cent. of the United Kingdom economy is involved in Europe, but 100 per cent. of British business, industry, shareholders and taxpayers will have to pay the cost of a highly expensive, but uncosted, contingency changeover plan. We are always promised cost assessments, but the absence of one for the plan is stark. It is amazing that, before they deal with any of our EU problems—the common agricultural policy, fraud in the Commission, our rebate, the withholding tax, unfair tax competition that penalises our enterprises, and much more expensive social costs—the Government are trying to commit the British people to enormous and unlimited expenditure, although even the Prime Minister has doubts about which side of the fence to come down on.

It is bad enough to be asked to write a blank cheque and to open up a funding black hole. It is worse still that the bank account holders—the British people—are not

allowed to know the amount to be written on that cheque, when it will be written or for what it will pay. I do not share the confidence of my hon. Friend the Member for Mid-Worcestershire (Mr. Luff) because I think that the Government are hiding something. Transparency is the best regulator.

Mr. Luff: I know that it is not the custom of *Hansard* to put "irony" in brackets after our comments, but I hope that mine were heavy with it.

Mr. Loughton: My hon. Friend spoke so subtly that I did not wish to disrupt the bonhomie that he engendered across the House.

Transparency is the best regulation and the best measure of accountability. The amendment does not deal with the whole issue of the euro, but simply seeks accountability and the ability to hold Labour Members and the Government democratically to account on behalf of our constituents. The changeover plan is purely a contingency plan, but potentially the most expensive contingency in history. We should have none of it.

Ms Hewitt: It is fair to begin by saying that Conservative Members have livened up somewhat during this debate. Indeed, we have heard from almost every Conservative Member present, except of course the hon. Member for Grantham and Stamford (Mr. Davies). It is hardly surprising that he has remained completely silent on the issue.

Once again, the debate has shown that the Conservatives are indeed a single-issue party. It would appear, at least this evening, that they are a single-sex party too. We have heard a great deal of nonsense this evening in an attempt to whip up some excitement on the Opposition Benches.

Mr. Luff: At least we Conservatives are here in numbers to discuss one of the most important issues that faces the United Kingdom, unlike Labour Members.

Ms Hewitt: I do not think that we need to worry about the numbers this evening.

The nonsense that we have heard from Conservative Members started with the right hon. Member for Horsham (Mr. Maude), who accused the Government of asking Parliament to give us a blank cheque to spend—a phrase with which Conservative Members were clearly so impressed that several of them repeated it. That is complete rubbish. Clause 122 establishes the propriety of expenditure by Customs and Excise and the Inland Revenue on preparations for the possibility that the United Kingdom might join the single currency. It does not remove Parliament's right to scrutinise the expenditure, or the requirement for Parliament to give legal authority for such expenditure each year through the annual supply estimates and the Appropriation Act.

It might be helpful if I remind hon. Members that statutory authority for the payment of expenditure out of moneys provided by Parliament must be given each year and can only be given each year by the supply estimates and confirming Appropriation Act. Any expenditure by the Government on euro preparations, like any other expenditure out of moneys provided by Parliament, will have to be authorised each year by Parliament in the annual Appropriation Act, which provides the legal authority for the expenditure.

Mr. Maude: If that is the case, will the Minister undertake that the House will have the opportunity to debate separately the sums allocated for that line in the Budget?

Ms Hewitt: We will treat it like every other line in the Budget. I am surprised at the right hon. Gentleman. He did not refer to the constitutional practice that was enshrined in the 1932 concordat between the Treasury and the Public Accounts Committee. I assume that as a former Treasury Minister he is familiar with that concordat. It is a rule of propriety that continuing functions of Government, in particular when they involve financial liabilities that extend beyond a given financial year, should also be defined and covered by specific statutes. It is in accordance with that rule of propriety that clause 122 provides specific statutory authority for expenditure on euro preparations.

Mr. Maude: I take it from what the hon. Lady says that the answer to my question is no, the House will not have such an opportunity. If she cannot supply that and as she claims that this is not a blank cheque for the Government, will she tell us what number will be on the cheque? How much money is she proposing to spend? If she does not know, she has the Chancellor at her side—he seems to have come to life—and she should ask him.

Ms Hewitt: I shall come to the figures for expenditure in a minute. As I said, expenditure on that matter will be treated in exactly the same way as any other expenditure from moneys authorised by Parliament. Perhaps it is not surprising that the right hon. Gentleman, who is Maastricht man—the man who signed the Maastricht treaty on behalf of the previous Government—wants to divert attention from his record by his obsession with clause 122.

I shall spell out the procedures once again because the right hon. Gentleman and his colleagues seem to have forgotten them. As with all expenditure incurred by revenue Departments, Parliament votes through estimates. Forecasts of euro preparation expenditure would be included in those estimates. The annual appropriation accounts report the actual outturn against the figures projected in the estimate and those are laid before Parliament in the January following the end of each financial year to which they relate. Moreover, the annual departmental reports, which are laid before Parliament around the end of March, provide a backward look to the previous financial year as well as a forward look to the coming financial year and expand on the detail contained in the estimate and appropriation account. I remind the House of that because so many right hon. and hon. Conservative Members seem to have forgotten it.

There are three main reasons for pre-referendum spending in the Revenue Departments.

First, unless we undertake the necessary practical preparations, the United Kingdom will not be in a practical position to join—even if that were in the national economic interest. That is especially true of the Revenue departments, whose computer systems are among the largest and most complex in Europe.

[Ms Hewitt]

Secondly, if the UK were to join the single currency, our Revenue departments would come under pressure from UK businesses to allow taxes to be assessed, reported and paid in euro. That would be no more than was offered by countries which participated in the first wave. We have allowed taxes to be paid in euro from 1 January this year. So far, the investment that we have made in IT and other systems to enable that to take place has been small—about £150,000. We considered that to be commensurate with a relatively low take-up. Even without extending the euro options for UK businesses, increased take-up of existing options would require significant investment to ensure cost-effective and accurate services. I am sure that hon. Members would want that.

Thirdly, by making relatively small and well-targeted expenditure now, we can save substantial sums if the UK were to join. That is effective public sector planning, to deliver best value for money, of the kind that any sensible organisation or business would undertake.

The right hon. Member for Horsham and several other hon. Members asked me for detailed figures as to expenditure. I shall set out exactly what was spent up until the end of February 1999. The public sector spent £27 million on ensuring that the City of London and many businesses and departments were able to deal with the euro from its introduction on 1 January. The Bank of England, the euro preparations unit in the Treasury, Revenue departments and the Department of Social Security accounted for most of that preparatory spending. Less than £2 million has been spent on preparing for the possibility of UK entry. The Bank of England spent about £16.6 million preparing for 1999—£17 million in total. The euro preparations unit spent £8.5 million, of which only about £50,000 was related to possible UK entry.

Customs and Excise spent £0.8 million on 1999 preparations—£0.2 million on planning for possible UK entry. The Inland Revenue spent £0.15 million on 1999 preparations—£0.35 million on planning for possible UK entry. In both cases, the spending on preparations for 1999 was to ensure that firms could pay taxes in euro from its launch. The DSS has spent about £0.5 million in total—almost all of which was geared towards possible UK entry, including £0.3 million on set-up and staff costs and £0.2 million on IT analysis. I hope that no Conservative Member will accuse me of lack of detail in these matters.

I point out to the House that the extraordinary concern of Conservative Members over the relatively small amounts involved in this matter sits ill with their complete indifference to the £5 billion hole in their own spending plans, arising from their resistance to the fuel duty escalator and other matters that we discussed earlier.

Mr. Quentin Davies (Grantham and Stamford): The hon. Lady has given precise figures, broken down between departments and functions, for moneys spent up until the end of February. Will she give us the Budget figures for prospective expenditure under the same headings? To return the phrase that she used, any well-managed—or half well-managed—business or organisation would have a budget with precise figures. If the organisation for which she is responsible is at least half well-managed, she will have forward budgetary figures. Will she give them to the House?

Ms Hewitt: In the current financial year, the Inland Revenue plans to spend about £5 million, and Customs and Excise plans to spend about £10 million in total. As for the years beyond that, the planning that we are undertaking at present, following the publication of the outline national changeover plan, will enable us to produce detailed figures. They will be dealt with in the normal way, through the procedures that I have described.

Mr. Letwin: I am most interested in the figures the Economic Secretary has just given. She has told us the spending that is planned for this year—figures of £5 million and £10 million. In which estimates were those approved, and which debate that occurred in this House inspected the validity and propriety of that expenditure?

Ms Hewitt: They are part of the normal estimates, dealt with in the proper way. If the hon. Gentleman did not notice them at the time, that is his problem.

It is absolutely fascinating to have heard from the two sides of the Conservative Treasury team. The hon. Member for Grantham and Stamford said in 1996:

"It would be completely crazy and contrary to the national interest to throw away our option to join the single currency. The British people would not respect a Government that did such a thing."

He went on to say:

"Taking irrevocable decisions before you have to and before all the essential facts are available is bizarre and indefensible"

He is describing the policy of his own party, on whose Front Bench he now sits, as "crazy", "bizarre and indefensible" and

"contrary to the national interest".

Mr. Davies: I had better state it quite explicitly, so as to remove any doubt from the hon. Lady's mind. The quotation she has just delivered describes precisely the Conservative party's position on this issue, which I have the honour to defend from the Front Bench.

Ms Hewitt: That is the entirely bizarre explanation that was offered by the right hon. Member for Horsham when he opened the debate. If I understood him correctly—it was difficult to follow his arguments—it is now the Conservative party's position to keep open the option of joining the single currency by ensuring that the British people are never given a chance to join. It is impossible for the Conservatives to square their policy of keeping open the option of joining with their other policy of establishing a constitutional principle that rules out the possibility of joining for five years, 10 years or for ever, depending on who is speaking.

Mr. Bercow: Will such expenditure be undertaken only upon the assumption of continued direct taxation sovereignty, and rejected without it?

Ms Hewitt: We have made it clear on numerous occasions in the House and elsewhere that tax harmonisation—harmonisation of direct taxation—is not required by possible entry into the single currency.

The House knows well the Government's position on the question of taxation, specifically the withholding tax, which has been mentioned.

The fact is that there are three possible positions on the question of the single currency. The first is to rule it out, even if joining a successful single currency would be good for Britain. That is the position of the Conservative party, which has now become the anti-European party of British politics.

Mr. Davies *indicated dissent.*

Ms Hewitt: Apparently, that is not the Conservatives' position any longer. Perhaps the right hon. Member for Horsham—Maastricht man—will clarify the position once again. We have heard many different policies this evening, so the right hon. Gentleman, who signed the Maastricht treaty, should tell us what the Conservative policy is.

That is one possible policy: to rule out joining a single currency on principle, even if it would be good for Britain. That policy was described, correctly, by the hon. Member for Grantham and Stamford as "crazy", "bizarre" and

"contrary to the national interest."

The second position is that we should join the single currency as quickly as possible, even if doing so were bad for this country. That indeed would be "crazy", "bizarre" and

"contrary to the national interest",

even though it is supported by some hon. Members.

The third policy position—the position of this Government—is to join a successful single currency if it is good for Britain. If the economic benefits of joining a successful single currency are clear and unambiguous, then of course it is right that we should join. That is the only policy in the national interest, and it is of course the Government's policy.

We have made it clear, in the statements in October 1997 by my right hon. Friend the Chancellor, and earlier this year by my right hon. Friend the Prime Minister when he launched the national draft outline changeover plan, that the decision on possible entry to a successful single currency should be made by Government, Parliament and then the British people in a referendum. It is in pursuit of that policy of "prepare and decide" that we have published the changeover plan.

The hon. Member for Esher and Walton (Mr. Taylor), a member of the previous Conservative Government and, indeed, a Front Bencher before he resigned in disgust at the anti-European position that his party has adopted, made the position clear when he welcomed the publication of the changeover plan. He said:

"Anyone who opposes a national changeover plan must not want to have a referendum, because it can be held only if the British people are prepared."—[*Official Report*, 23 February 1999; Vol. 326, c. 194.]

Our changeover plan has been prepared in very close consultation with business associations in this country. It is further illustration of how completely out of touch the Conservative party is with British business and the British national interest that it has opposed the sensible planning of the changeover plan, which was welcomed by, among others, the president of the CBI. The changeover plan is a sensible and necessary step to enable this country to have the option of joining a successful single currency if that would be in the interests of our country.

Under clause 122, as I have explained in considerable detail, we have ensured that the proper rules of propriety and the convention with the Public Accounts Committee are observed. We are extremely supportive of the important role that Parliament plays in the proper scrutiny of public expenditure, but there is a set procedure for reporting on expenditure to the House. The procedure works well, and the Opposition were quite happy to follow it during their 18 years in government. Euro preparations expenditure will continue to be included in the annual estimates, appropriation accounts and departmental reports, along with all the other spending by revenue Departments.

I am astonished that the Opposition seek to impose an extra bureaucratic burden on our tax authorities—one that has nothing whatever to offer in improving real accountability and scrutiny of public expenditure. I hope very much that the right hon. Member for Horsham will have the wisdom to withdraw his amendment. If not, I shall certainly urge my hon. Friends to vote against it.

Mr. Maude: I knew that it would be fascinating to hear how the Economic Secretary would make the case to resist the amendments. Now we have the answer. She did not make the case; she just ignored the case, which became stronger and stronger as each hon. Member rose to their feet. The Economic Secretary has insulted the House of Commons by refusing to address the actual issues and by making a pathetic attempt to sow dissention. She was dismayed by the fact that Conservative Front Benchers have been resolutely united in this approach. It is very upsetting for her, but it is a fact that the whole House ought to be concerned about this issue.

I said when I moved the amendment that the Government were asking for a blank cheque. Having heard what the Economic Secretary has had to say, that remains so. This is an extraordinary clause. As far as I can see, no other clause is a spending clause.

It has been claimed that the National Audit Office already has the power to scrutinise the accounts, but if the expenditure is proper according to the terms of the clause—we have no reason to suppose that it will not be—the NAO will not scrutinise the accounts in detail but simply report on the global sum. The Public Accounts Committee will not get close to the accounts because the NAO will sign off that sum as having been effective spending.

That spending may be effective according to the terms of the clause, but it is effective spending to achieve the wrong outcome. The Government will spend unspecified amounts of taxpayers' money on something that even the Prime Minister has accepted hardly anyone wants. The Economic Secretary has mentioned several figures, but she cannot say in which estimates those figures are contained. She cannot tell us in which National Audit Office report they are scrutinised. There is no proper mechanism by which the House can fulfil its historic function of scrutiny for such extraordinary expenditure.

Coming from a Government who prate about and use the language of prudence and competence, this is a disgrace. The Treasury, which admits to having negotiations to agree hard and fast budgets with other Departments, will simply

[Mr. Maude]

say, "We shall spend as much as we think right." The Prime Minister says, "We shall spend tens of millions of pounds over a number of years." That is airy-fairy, and it is intolerable that the House of Commons should not have the ability properly to scrutinise that expenditure. For that reason, I ask the House to support the amendment.

Question put, That the amendment be made:—

The House divided: Ayes 134, Noes 336.

Division No. 225] **[9.11 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brand, Dr Peter
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Burstow, Paul
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cran, James
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Flight, Howard
Forsythe, Clifford
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harvey, Nick
Hawkins, Nick
Heald, Oliver
Heathcoat–Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Keetch, Paul
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Mates, Michael
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Oaten, Mark
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ross, William *(E Lond'y)*
Ruffley, David
Russell, Bob *(Colchester)*
Shepherd, Richard
Simpson, Keith *(Mid–Norfolk)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Thompson, William
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Wardle, Charles
Webb, Steve
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Young, Rt Hon Sir George

Tellers for the Ayes:
Mrs. Jacqui Lait and
Mr. Geoffrey Clifton-Brown.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Rt Hon Stephen
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Cann, Jamie
Caplin, Ivor
Casale, Roger
Catoh, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Connarty, Michael
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Curtis–Thomas, Mrs Claire
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Dobson, Rt Hon Frank
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Gapes, Mike
Gardiner, Barry
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter

Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Rt Hon Barry *(Alyn)*
Jones, Mrs Fiona *(Newark)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Rt Hon Ian *(Makerfield)*
Macdonald, Calum
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McNamara, Kevin
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, Jim *(Leicester S)*
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Rt Hon Alan
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Alasdair *(Galloway)*
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Quinn, Lawrie
Radice, Rt Hon Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Short, Rt Hon Clare
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

Tellers for the Noes:
Mr. David Hanson and
Mr. Clive Betts.

Question accordingly negatived.

Schedule 1

RATES OF VEHICLE EXCISE DUTY FOR GOODS VEHICLES ETC

Ms Hewitt: I beg to move amendment No. 14, in page 97, line 29, column 4, leave out '2,320' and insert '2,230'.

I hope that this amendment will not cause anything like the controversy caused by the previous amendment. It amends schedule 1, which concerns vehicle excise duty for goods vehicles, and corrects a typographical error in the tabled rate for three-axle rigid goods vehicles weighing between 23 and 25 tonnes. The provision should have remained unchanged at 2,230 lbs rather than the 2,320 lbs set out in the schedule.

This corrective amendment reflects Government policy: rates for all goods vehicles, apart from the more heavily loaded vehicles that became available from 1 January, should be frozen, as they were last year. Lorries relicensed since the Budget have of course been charged at the correct rate. I trust that there will be no opposition to the amendment.

Amendment agreed to.

Schedule 2

VAT: GROUPS OF COMPANIES

Mr. Heathcoat-Amory: I beg to move amendment No. 1, in page 102, line 15, at end insert—

'(5) For the purposes of subsection (2) above the Commissioners may only give notice in the circumstances specified in subsection (2) above if it appears to the Commissioners that—

(a) a company is engaged in a VAT avoidance scheme,

(b) membership of the group threatens the collectability of tax, or

(c) the revenue loss associated with its membership of the group goes beyond the natural consequences of grouping.'.

Although the amendment will be spoken to by my hon. Friend the Member for West Dorset (Mr. Letwin), I am moving it because of the rules of advocacy. My hon. Friend may conceivably have an indirect interest, which he will doubtless describe to the House.

Mr. Letwin: I declare a possible interest in that there may be clients of the bank of which I am a director who could be affected by the amendment.

The amendment protects not so much against a Henry VIII clause—we have done much of that in this Parliament—as against a Charles I clause of the kind that has also become all too familiar. Such a clause would give Customs and Excise tyrannical powers over those who are unlucky enough to fall into its clutches. When the issue was raised in Committee, a great many organisations were quoted—organisations that are not politically partial, but rather, are bound by the rules of looking after the interests of their members and, indeed, the public interest. The Institute of Indirect Taxation said:

"Under all of these provisions"—

to which the amendment relates—

"the trigger for Customs powers is subjective."

The Law Society said that

"it would be possible for the Commissioners retrospectively to degroup a company . . . that . . . ignores the possibility of a mistake being made by the Commissioners".

The Institute of Directors said:

"The powers given by new section 43C (1) and (2),"—

to which the amendment relates—

"to remove companies from groups where that is necessary is far too wide."

The Institute of Indirect Taxation had more to say, as did many other bodies, including the Institute of Chartered Accountants.

The interesting point, which gave rise to our amendment, is that the Paymaster General—not the Financial Secretary, whom I excuse from blame entirely—remarked to the Committee, no doubt with the consent and acquiescence of the Financial Secretary:

"It is right that Customs has broad powers and some discretion, as has long been provided in our legislation. That is to ensure that abuse is dealt with adequately . . . That approach . . . is the conventional way to proceed."—[*Official Report, Standing Committee B*, 13 May 1999; c. 174-182.]

There is some truth in the hon. Lady's observations. Alas, we find that the conventional way to proceed, under Governments of both colours over many years, has been to give quite excessive and undue powers to Customs and Excise, and it is about time that something was done to correct that.

Finding a means of restricting the excessive, arbitrary powers of Customs and Excise—in order to protect legitimate businesses from the exercise of those arbitrary powers in ways that cause significant dislocation for many of our constituents—will be a major plank of the Conservative party's policies for going forward. That is particularly the case in respect of people with small and medium-sized businesses which cannot afford to employ legions of highly paid advisers to protect them against the exercise of those powers.

9.30 pm

Amendment No. 1 is astonishingly modest: I am amazed by our moderation. It would merely specify a little more closely how the commissioners must go about their actions. It says that commissioners can give notice of degrouping only if it appears to them that

"a company is engaged in a VAT avoidance scheme . . .

membership of the group threatens the collectability of tax, or . . .

the revenue loss associated with its membership of the group goes beyond the natural consequences of grouping."

Straightforwardly, that amounts to saying that the commissioners must satisfy themselves that there is a genuine abuse.

It is a perfectly reasonable proposition that the commissioners, before taking action that could be highly deleterious to the companies against which they are taking it, should at least satisfy themselves that there is a real abuse, and that it is not an honest and innocent scheme.

I note that the Financial Secretary has closed her mind to this proposal, because she is happily engaged in badinage with her colleagues on the Front Bench. I am afraid to say that that surprises us not in the least. We have just debated a proposal from my right hon. Friend the shadow Chancellor that was so eminently reasonable that the Economic Secretary was unable to find the slightest rationale for defeating it. We now have another such reasonable proposal, and I am sure that it will meet the same fate. Her Majesty's Government are unfortunately unwilling even to listen to the argument. The time will come when amendments such as amendment No. 1 will be seen for what they are: modest, perhaps even pusillanimous. In due course, we will need far more protection for the ordinary and innocent business man against the exercise of arbitrary power.

This is a test case. If the Government insist on rejecting amendment No. 1, it will show that even the most modest constraints on that arbitrary power, such as the requirement that commissioners should satisfy themselves of an abuse, is too much for the Government. The Financial Secretary should bear in mind the fact that—if she is lucky enough to catch your eye, Mr. Deputy Speaker, as I am sure she will be—what she says in her usual mellifluous and elegant fashion will be recorded in *Hansard*, and will ring down the ages as a statement of the Government's intention, which is that things should be done in the conventional way. That is what the Government will stand for: the proposition that the conventional way should be followed, and Customs and Excise should be given wholly arbitrary powers.

Some slight purpose will have been fulfilled by this debate if we at least get it on record that that is the Government's intention and design. It would, of course, be far better if, having heard these words, the Financial Secretary had a damascene conversion and accepted amendment No. 1, but that will not happen. We could then get on with the serious business of trying to put to rights something of which Governments of both colours—this is not a party point—have been culpable for the past 50 or 100 years, and which the Opposition at least intend to do something about.

Mr. Fabricant: I support the amendment, primarily because I have experienced the abuse that my hon. Friend

has described. He referred to the badinage among hon. Members on the Treasury Bench. I suspect that the reason for that badinage is that they have not been abused as I have, because none of them have run a business. None of them have had the experience of Customs and Excise officers descending on them in the early hours. They have not heard the kick of the jackboot on the door—perhaps I exaggerate—and have not endured an inspection of their books lasting a week or two.

Customs and Excise has a long history. The revenue men have powers that go back 300 or 400 years. Their powers exceed and have existed for longer than the powers of the police.

I hasten to add for the record that I was abused, and my company was abused, because the company—although it was a new company—had started from scratch, and ended up exporting all over the world. As a consequence, we incurred a lot of input tax—because we were purchasing items and paying VAT—but very little output tax, because we were exporting at zero rates. Most of our VAT returns, therefore, related to claims rather than payments.

There we were, a small company, trying to trade and trying to build up a reasonable base not only of suppliers, but of English—British—employees. Then the jackboot came: Customs and Excise arrived, and for two or three weeks we experienced complete disruption. No sales could take place, and while Customs and Excise went through our books with a fine-toothed comb—this was long before the days of computers—we were in cashflow difficulties, and were barely surviving as a result. Fortunately we got through that, and my career culminated on the Back Benches in the House of Commons.

The amendment is reasonable. My hon. Friend the Member for West Dorset (Mr. Letwin) described it as a test case; I would go further, and say that I consider it to be an acid test of the Government's good intent. Is it unreasonable to expect the Government, Customs and Excise and the commissioners to pay a little attention, and exercise some caution, before kicking down the gates of a small business and examining its books?

The amendment is also simple. The commissioners need to satisfy themselves that

"a company is engaged in a VAT avoidance scheme"—

in other words, not engaged in its lawful business. Is that unreasonable, I ask the Financial Secretary? I do not see how she can say that it is.

The commissioners also need to satisfy themselves that

"membership of the group threatens the collectability of tax"—

in other words, that the group has not been formed as a natural consequence of the functions of the company. Is that unreasonable, I ask the Financial Secretary?

Finally, the commissioners must satisfy themselves that

"the revenue loss associated with its membership of the group goes beyond the natural consequences of grouping."

Mr. Letwin: Let me make it clear, for the avoidance of doubt, that these are alternatives. The commissioners need to satisfy themselves of either the first, the second or the third. The amendment is even more modest than my hon. Friend suggests.

Mr. Fabricant: My hon. Friend is right. Reasonableness is the essence of the amendment. The question—the acid test—is this: are the Government going to be reasonable, and do they want the commissioners to be reasonable?

I know that the Financial Secretary is a reasonable lady, although she and her bedfellows—perhaps I should not say that; she and her colleagues—lack business experience. I therefore hope that they will accept the amendment.

Mrs. Roche: I find myself in a quandary. To misquote Oscar Wilde, I can resist everything but flattery. I have heard two flattering speeches, from the hon. Members for West Dorset (Mr. Letwin) and for Lichfield (Mr. Fabricant); however, I must disappoint them this evening. [HON. MEMBERS: "Oh!"] I know: it almost brings tears to my eyes as well.

I was rather surprised by the speech of the hon. Member for Lichfield. He will know of the many hard-working men and women in our Customs and Excise service who do such sterling work for us on a number of issues—not just on VAT, but on combating drugs and smuggling. It is incumbent on hon. Members on both sides of the House to pay tribute to those brave men and women.

Mr. Letwin: I hope that the Minister might recognise the following point. It is the only defence of those hard-working and conscientious individuals that there should be rules that ensure that they do not have to fulfil their function by acting arbitrarily to squeeze every last penny out of every rock. I hope that she will recognise that the intention is precisely to protect those individuals, not to attack them.

Mrs. Roche: I am grateful for that clarification, because I had thought for a moment that the all-party consensus on law and order issues was in danger of breaking down. If the hon. Gentleman is a little patient, I think I can reassure him.

The one thing that the hon. Members for West Dorset and for Lichfield did not mention was that, if one looks at the whole package, of which the measure is a very small part, the Government's proposals on the sector have been welcomed by business as a whole. The proposals are the result of a long period of consultation and have gone down well.

The power to remove companies is necessary, as customs currently has powers to refuse applications to groups on revenue protection grounds, but no powers to remove companies when the same revenue concerns arise involving an existing group member. The inability of customs to remove companies from groups facilitates abuse and can lead to distortions of competition. Anyone who believes that having a level playing field is good will not support the amendment.

Mr. Letwin: Will the hon. Lady give way?

Mrs. Roche: I am anxious to make a little progress. I want to say something that might help the hon. Gentleman. I will be nice to him, so will he take his seat for a moment?

I am sure that it is not the intention of those who have tabled the amendment to facilitate abuse, especially in light of the successive years of legislation—the hon. Member for West Dorset was generous enough to say, unlike some of his hon. and hon. Friends, that Conservative Governments have gone down exactly the

[Mrs. Roche]

same route—that have been necessary to counter some of the abuse of what is an important business facilitation measure. That includes legislation that was passed by the Opposition when they were in power.

Members who have read the *Hansard*—the hon. Member for West Dorset has already referred to it—of the Standing Committee debate will know that the criterion in the amendment is the same criterion that my hon. Friend the Paymaster General said would be applied by customs to all the revenue protection powers in the clause.

Mr. Letwin: Now the hon. Lady is absolutely right. All we are trying to do is to enshrine in law what her colleague said would be a matter of practice. How can she possibly object to that? Is not that the ultimate reasonable activity of Parliament—to enshrine in law what is regarded as reasonable practice?

Mrs. Roche: I know that the hon. Gentleman is anxious about the matter, but, if he contains himself for a little longer, I will deal with that.

The amendment seeks to set that criterion in law in respect of the new powers to remove companies from groups for the protection of revenue, but the amendment is defective. I have had to take Conservative Members to task before when they have tabled amendments that are technically defective because my right hon. and hon. Friends might be tempted by such amendments, which would put them on a path that could not be said to be one of righteousness. There is no mention of the approach that should be taken over refusing applications on the same grounds. Rather than creating more certainty for business, this limited amendment would create more uncertainty and reintroduce distortions—precisely what the Bill is meant to overcome.

Although the amendment may be superficially attractive, when we look at its detail, it raises more questions than it solves. Customs will apply, as it always does, those good principles, but there are sound—

Mr. Letwin: Will the hon. Lady give way?

Mrs. Roche: No, I will not.

There are sound reasons why those principles should not be defined in law. That is why the Paymaster General stated in the Standing Committee that she had asked customs to provide a business brief. Tomorrow, that brief will be published and placed in the Library. It will state the circumstances in which all the revenue protection powers in schedule 2 are likely to be used, thereby providing assurance to business that customs will not use revenue protection powers merely to raise revenue.

9.45 pm

Amendment No. 1 deals with a very important matter. I am sorry that, today, Opposition Members have not sought to talk—as they were generous enough to do in Committee—about the great benefits for business that the Bill will provide.

Amendment No. 1 would only confuse the issue, and I urge the House to reject it.

Amendment negatived.

Schedule 5

SCOTTISH PARLIAMENT AND DEVOLVED ASSEMBLIES. EXEMPTIONS AND RELIEFS

Amendment made: No. 25, in page 112, line 37, leave out from 'Kingdom' to end of line 38 and insert 'and—

(a) any European Union institution in Brussels, Luxembourg or Strasbourg, or

(b) the national parliament of another member State.".'.—*[Mrs. Roche.]*

Schedule 20

REPEALS

Amendment made: No. 35, in page 175, line 26, at end insert—

'(2) BUSINESS ASSETS: ROLL-OVER RELIEF

Chapter	Short title	Extent of repeal
1992 c. 12.	The Taxation of Chargeable Gains Act 1992.	Section 193.

This repeal has effect in accordance with section *(Business assets: roll-over relief)*(2) of this Act.'.—*[Mrs. Roche.]*

Order for Third Reading read.

9.46 pm

The Chief Secretary to the Treasury (Mr. Alan Milburn): I beg to move, That the Bill be now read the Third time.

The Finance Bill reforms and strengthens the British economy by rewarding work, enterprise and families. Quite rightly, it has been subjected to detailed scrutiny, both on Report and in Committee. I thank all right hon. and hon. Members, some of whom are in the Chamber, who contributed to our consideration of the Bill in Committee. I particularly thank my hon. Friends for the excellence of their work on the Bill, but also thank Opposition Members for their work—not least because it has given us some profound insights into where they stand on so many key issues of tax policy, spending policy and economic policy.

The Bill helps to lock in the economic stability that the Government have been creating since we entered office, and introduces new measures to improve—for the long term—the productivity and performance of the British economy. The Bill contains measures to improve investment, to strengthen links between business and education, and to improve the tax position of growing firms.

The Bill's measures give Britain the lowest rates of company taxation in our history. Indeed, the measures give us the lowest tax rates of any major industrialised country anywhere in the world. Moreover, those rates will not apply for only one year, but will remain at that level, or below, for the remainder of this Parliament. They are evidence of the Government's determination to make Britain the very best place for businesses to invest, and the very best place for businesses to do business.

The Finance Bill helps put in place the building blocks not only for an enterprise economy, but for a fair society—the current Government, unlike the previous one, recognise that the two go together. In our two previous Budgets, we helped people move from welfare

to work. We are now taking that fundamental reform a step further, by ensuring that, when people go into work, it pays.

For years, successive Governments have taken too much tax from those who work hard but are by no means wealthy. All too often, the working poor have paid the price for that failure. Some people have faced marginal tax rates of as much as 100 per cent. or more when trying simply to move off benefit and into work.

The Finance Bill, with the minimum wage and the working families tax credit, begins to end the perverse incentives that have encouraged benefit dependency. We do so in recognition, first, that work is the best way out of poverty; and, secondly, that—for too many people, for far too long—financial uncertainty has acted as a real barrier.

The Bill ensures that we now have the lowest starting income tax rate in 35 years. Next year, we will have the lowest basic rate of income tax in some 70 years. On any count, those are major reforms to the tax system. They will make working families better off. They will cut the tax burden on the average family to below 20 per cent. for the first time in more than 20 years.

In contrast to the practice of the Conservative party when it was in power, those tax cuts honour the pledges that we made at the last election. *[Interruption.]* Before the shadow Chancellor starts to chunter too much, I say to him that the cuts are a reminder—if reminder were needed—that, while this Government keep our tax promises, the previous Government failed to do keep theirs. We said that we would cut VAT on fuel and that we would introduce a 10p rate of income tax. We have done so.

We said that we would do something else—we promised more support for families. This Finance Bill delivers that promise. The new children's tax credit will provide more help to those who need it most, when they need it most—families bringing up children. By the end of this Parliament, we will be spending £6 billion more on children than we were at the beginning. In total, as a result of the measures that we have taken to date, some 700,000 children will be lifted out of poverty.

All those measures are opposed by the Conservative party. Frankly, the Opposition have done the House and the country a favour during the passage of the Bill. They have helped put clear blue water between us and them. While this Labour Government's policies are helping the poorest families in the land, it is now clear from the passage of the Bill that the Tories' policies would penalise the poorest families in the land.

The Tories' pledge to abolish the working families tax credit would land 1.5 million families—many of them the poorest in the land—with an extra £24 a week on their tax bills. Their opposition to the minimum wage, to the 10p starting rate of income tax and to the children's tax credit would mean less help for hard-working families, middle and low income alike.

Mr. Nick Gibb (Bognor Regis and Littlehampton): Where in the Labour manifesto did it say that the Labour Government would raise taxes to the tune of £40 billion over the lifetime of this Parliament? Where did it say that newly retired couples who will reach the age of 65 after next April will lose £500 of income that they had expected to have at retirement?

Mr. Milburn: I will come to that £40 billion in a moment because the hon. Gentleman, before he was moved on, helped contribute to the £40 billion black hole in the Tories' spending plans. The Bill and previous measures will help to cut taxes and will ensure that tax plans for this year, next year and the year after are all lower than if the Conservative party had been returned to power at the last general election.

By reversing policies that are designed to make work pay, the Opposition would reinvent the spiral of benefit dependency that they now say they want to eradicate. However, the Opposition have revealed something else, too, during the passage of the Bill. They have revealed that they cannot be trusted with our country's public finances or with our country's key public services.

In the last two years, the state of the public finances has been transformed. We have cut public sector borrowing by some £32 billion. The approach that we have taken has been prudent and disciplined, and this Finance Bill continues that process. It locks in the stability that we have been creating by keeping the public finances under control.

Over the next five years, there will be a current budget surplus of £34 billion. The Government are now living within our means, and yet we have been able to invest extra money in our key public services—an extra £40 billion for our schools and hospitals alone over the next three years.

Mr. Maude *rose—*

Mr. Milburn: When the right hon. Gentleman comes to the Dispatch Box, perhaps he will say how he intends to match those plans.

Mr. Maude: I shall say for the umpteenth time that we support those increases in health and education spending. However, let the Chief Secretary answer this. Before the last election, the Prime Minister said in clear terms that Labour had no plans to increase taxes at all. What does the Chief Secretary think that he meant by that?

Mr. Milburn: What we said before the general election is contained in our manifesto. We said that we would not increase income tax rates, and we have not; indeed, we have reduced them. We said that we would not extend VAT to children's clothes, food, books and newspapers and public transport fares, and we have not. We said that we would introduce a 10p rate of income tax, and we have.

If the shadow Chancellor wants to compare and contrast the tax promises that we made at the general election with those that his party manifesto made at the 1992 election, I am happy to go through that charade. He might have come to the Dispatch Box and explained how it is that one moment he describes our spending plans as reckless—and the Leader of the Opposition accuses my right hon. Friend the Chancellor of embarking on a spending spree—and the next he says that he wants to match our spending on health and education.

[Mr. Milburn]

It is no good willing the end without being prepared to will the means. The Conservatives have failed to put their money where their mouth is. Worse, they have tabled proposals that would take money away from the very services that they say they support.

Mr. Maude: As the Chief Secretary seems unwilling to defend the Prime Minister on his clear statement before the general election, will he say what he understood the Prime Minister to mean when he said just after the election that the Government would cut social security bills? Did he believe that the Prime Minister meant that he would increase those bills by £38 billion?

Mr. Milburn: The right hon. Gentleman must be aware of what has happened under this Government as compared to what happened under the previous Government. He must know that social security spending is rising at half the rate under this Government, so we will take no lectures from him.

During our proceedings on the Bill, the Conservative party tabled amendments that would rob the public purse of almost £25 billion over the next three years and Conservative amendments to last year's Finance Bill would add another £15 billion to that total. *[Interruption.]* If the shadow Chancellor would stop chuntering and start listening, he might learn something. His party lost the trust of the British people at the general election because it broke its promises and it continues to make promises that it cannot keep.

Our proceedings have highlighted all too clearly the contrast between the Government and the Opposition: £40 billion extra for our key public services with the Government or £40 billion less with the Conservatives; more help for families with the Government or less with the Opposition; more help to get people into work and to help them to stay there with the Government or less for both with the Conservatives; economic stability with the Government or a return to stop-go, boom-bust with the Conservatives.

We have seen that today's Conservative party is not only out of touch and out of date but out of the political mainstream; it is no wonder that people say that it is the most extreme in living memory. The Bill will help to build a stronger economic future for our country and ensure that there is opportunity for the many and not only the few. It provides the right incentives for people to work and for business to invest. In short, it offers a better deal for both British business and the British people. It deserves the support of the House.

9.59 pm

Mr. Heathcoat-Amory: In March, the Chancellor introduced a tax-raising Budget, followed in short order by a tax-raising Finance Bill. Even more recently, we have been faced with a tax-raising Report stage. Unusually—it is certainly unprecedented in my experience—the Government only yesterday tabled eight additional money resolutions, each of which was, by definition, tax-raising. We have had a series of Budgets, each of them tax-raising, and a series of provisions this year whose object has also been to raise taxation.

This is a bad Bill. However, in the debates during its progress through the House, we have managed to puncture the Chancellor's self-satisfied arrogance and complacency. Instead of strengthening the British economy, as the Chief Secretary claimed, he has put at risk the golden economic legacy that he inherited from the previous Conservative Government at the general election.

The Chief Secretary made the truly remarkable claim that social security expenditure was rising less sharply now than under the previous Government. That is flatly untrue, as statistics from the ever-helpful House of Commons Library show. In the three years to 1998–99—in other words, the Conservative Government's last year of office and the years for which Conservative planning was taken over by the Labour Government—social security spending fell by 0.2 per cent. per year, in real terms. Conversely, the Library figures show that, from 1998–99 onwards, when the Labour Government have been on their own, social security spending is set to rise by 3.2 per cent. each year, in real terms.

That is a graphic illustration of how the Government have turned a satisfactory plateau of real-terms social security expenditure into a steep rise. That is where the money is being spent. Instead of taking money from the social security budget and spending it on other desirable areas of social expenditure, the Government are wasting it on an acceleration of social security expenditure. That is documented in the figures that I have given.

Mr. Leslie: Will the right hon. Gentleman give way?

Mr. Heathcoat-Amory: No. I am correcting the facts and figures misrepresented to the House only a few moments ago by the Chief Secretary.

The Bill, and the Budget before it, contain some gimmicky handouts. Interestingly, however, some of the handouts announced in the Budget speech are not to be found in the Bill. For example, in his Budget speech, the Chancellor proudly announced research and development tax credits. Business looked forward to them, but the Bill says nothing about them. The proposal is a fraud. Conversely, the Bill contains some tax increases that were not announced in the Budget speech. That is all so appropriate for a stealth-tax Government.

On Budget day, the Government published a leaflet called "Budget '99", which purports to be a summary of the Budget measures. In the section entitled "Raising Productivity", the research and development tax credit is said to be an item that will be "delivered" in the 1999 Budget. Yet, as I have explained, it was not delivered, in either the Budget or the Bill.

The leaflet does not mention something that is in the Bill—the sharp and damaging increase in stamp duty. That is set to raise £300 million a year, mostly from the business sector. The research and development tax credit may come into effect in the year 2001, and will benefit business by a maximum of £100 million.

The leaflet is nothing short of state-sponsored propaganda. It is biased, partial and a disgrace. The taxpayer was expected to finance a leaflet—at a cost of more than £100,000—that gives a distorted and misleading account of the Budget measures.

The Finance Bill has been criticised for making the system more complicated. Every Finance Bill introduces more rates, more tax bands and more complex relief. Last year, the capital gains tax system—again unreformed this year—set up all sorts of perverse incentives, additional rates and multiple allowances. The Government say that they are trying to make the tax system simpler to aid self-assessment, but it is becoming more difficult for individual taxpayers and more expensive for businesses. The Government have begun a regulation drive to make everything more complicated and expensive, and that—just as surely as tax increases—is undermining the competitiveness of the British economy.

The Bill abolished married couples allowance, but there was another trick. The Chancellor announced that, although the allowance was being abolished, it would be replaced by children's tax credit. The trick is that married couples allowance is abolished immediately, saving the Government over £1.5 billion a year, but children's tax credit will not come in until 2001, and will cost less than the amount saved.

We have debated fuel duties again today, so I shall say only that the Government no longer seriously deny the damage to the road haulage industry. Fuel represents a third of the industry's running costs, and making our fuel the most expensive in Europe obviously makes the industry uncompetitive in Europe. Road haulage, by definition a mobile industry, will lose out in the single market. Those blindingly obvious truths are beginning to register with the Government, but it is too late for many in the haulage industry who have already suffered, and too late for British manufacturing industry, which has been made uncompetitive. I hope that it is not too late to persuade the Government to end the damaging fuel escalator in next year's Budget.

Mr. Geraint Davies *rose—*

Mr. Heathcoat-Amory: I cannot resist giving way to the hon. Gentleman.

Mr. Davies: Having mentioned stealth tax, would you agree that, when you add up the reversal of your policy—

Mr. Deputy Speaker (Mr. Michael Lord): Order. The hon. Gentleman must use the correct parliamentary language.

Mr. Davies: When the right hon. Gentleman adds up the effect of his policies on the fuel escalator, elimination of the tobacco escalator and the married couples allowance, does he not find that the Conservative party will offer the electorate a bill amounting to tens of billions of pounds at the next election? How will he pay it?

Mr. Heathcoat-Amory: I am glad to give way to the hon. Gentleman, because he is always helpful. He has given me the chance to state that we are trying to chip away at the extra taxes that the Government are levying on British industry and individual taxpayers in defiance of their manifesto and election promises. The hon. Gentleman should thank us for trying to return the Government to the platform on which he was elected.

On savings, the Government do not seem to understand that it is no good exhorting people to save more, or trying to get people off welfare and on to depending on their own savings, if savings are being made more expensive and less attractive. They have done it in every Budget since the general election. In the first one, they carried out a £5 billion a year raid on pension funds. No one will trust the Government on pensions again.

Then we had the quite unnecessary vandalism against personal equity plans and tax-exempt special savings accounts—two successful and established savings vehicles that were trusted by the saving public. The Government introduced the wholly unknown, untried and untested individual savings accounts, with which they are having so much difficulty. We confidently expect that they will in due course produce amendments to try to retrieve the situation. Why put the saving public to all the expense and difficulty of changing from a product that they understand to one that they do not?

In this Finance Bill, the 10p starting rate of income tax was announced. However, the Government deliberately did not make it applicable to savings. What sort of a message does that send? Do not bother to save; the Labour Government do not believe that it is necessary.

Exactly the same is true of the continuing scandal over dividend tax credits and the Government's failure to repay those credits, or an equivalent sum, to non-taxpayers. They have compensated everyone else—the better-off—for the withdrawal of dividend tax credits, but despite being asked, they have deliberately refused to compensate the poorest non-tax paying savers. They are operating a sort of means test. They have looked after the better-off savers, but they are refusing to compensate the poorest category of saver—those who are below the tax threshold. That is a continuing scandal and it goes some way to explain why the Government are losing touch with their traditional supporters and why those ex-supporters have been making known their views in the recent local government and European elections. It is not surprising that the savings ratio has fallen and continues to fall.

Before I conclude, I must touch on another extraordinary fact that we unearthed from the Government despite all their efforts to keep the information to themselves: the fact that at least three of the provisions in the Bill may be incompatible with the requirements of the European Union and may in due course have to be withdrawn or repealed. One such provision is the measure to help the film industry. The second is the 40 per cent. first-year allowance for small and medium-sized companies and the third is the 100 per cent. first year allowance for small and medium-sized companies in Northern Ireland.

We have discovered that each of those measures, which were all introduced by the Government, are under investigation by the European Union business tax committee, which is chaired by the Paymaster General. We did not know that when we debated those measures in Committee. The Government did not tell us that they might all have to be withdrawn if that committee concludes that they represent unfair tax competition. They may have to be repealed because that committee is not advisory but mandatory. The Government have voluntarily agreed in advance to honour its conclusions. In a debate in Committee in November 1997, the Paymaster General said that, if the Government agreed to the code of conduct on unfair tax competition in Europe, they would honour the committee's conclusions and abide by its recommendations.

[Mr. Heathcoat-Amory]

So, there we have it. The House of Commons and this Chamber this evening may think that they are regulating tax matters on which they are sovereign, but I am afraid that that is no longer the case. The Government have admitted—the information had to be extracted from them—that at least three of the measures that we are being invited to pass this evening are vulnerable to being withdrawn because of the conclusions of a European Union committee. If that is not the case, the Government still have time to reassure us to the contrary. When we debated the matter yesterday, they not only gave us no assurances on that, but they appeared to confirm that it was indeed the case.

A recent example is provided by the debate on amendment No. 31, introduced by my right hon. Friend the shadow Chancellor. The House is being asked to give the Government authority to spend unspecified amounts, during an unspecified period, on unspecified items in respect of the national changeover plan. That is a disgrace, and, in her response to that debate, the Economic Secretary made matters worse by refusing to give the House the details that it reasonably requires.

In conclusion, the Bill remains a bad Bill; it is a tax-raising and stealth-taxing Bill. It is interfering and damaging; we shall vote against it.

10.16 pm

Mr. Edward Davey (Kingston and Surbiton): Sometimes our debates generate a great deal of heat, and sometimes they shed a great deal of light. Unfortunately, the former is true of this Third Reading debate. The Chief Secretary to the Treasury and the shadow Chief Secretary to the Treasury, the right hon. Member for Wells (Mr. Heathcoat-Amory), failed to mention the two most historic tax changes in the Bill. Those truly historic changes are the abolition of mortgage interest tax relief—*[Interruption.]*—and of the married couples allowance. From a sedentary position, the hon. Member for Edmonton (Mr. Love) cheers the abolition of mortgage interest tax relief; he is right to do so. That relief needed to be abolished, and I am surprised that the Chief Secretary failed to mention it in his speech.

Mr. Geraint Davies: Will the hon. Gentleman give way?

Mr. Davey: If I must.

Mr. Davies: Can it be true that the spokesperson for the Liberal Democrats has written his speech on Third Reading on the back of an envelope?

Mr. Davey: Although the hon. Gentleman may need to print out the full text of his own speeches, some of us have only a few notes—to which we often do not even need to refer.

I was making a rather more serious point: there are some major tax changes in the Finance Bill, which one would have thought the Chief Secretary would mention. Perhaps he is rather embarrassed by them, and is not prepared to advocate them to the public—therein lies the truth. Perhaps the shadow Chief Secretary failed to mention them because he realises that the Conservative Government began those reforms. He does not want to admit that the measures are the logical conclusion of Conservative tax policies.

The Liberal Democrats support those two historic tax changes. However, we do not support the way in which the money freed by the changes has been spent. The Government have spent the money in several ways, none of which will promote full social justice and fairness—as should have been done. They have followed the Tory route of cutting marginal tax rates. In taking that approach, they are making the same mistakes as the Tory Government made in the past; they are not targeting those freed-up resources on the working poor. That is an historic mistake.

The 10p tax rate will not help the poorest in society; it will be worth just as much to those on higher incomes. We could have taken hundreds of thousands of the working poor out of tax altogether, if the money saved by abolishing mortgage interest tax relief and the married couples tax allowance had been used to raise personal allowances. The Government failed to do that.

There was an extremely Tory policy in the Budget: cutting the marginal rate of income tax by a penny in the pound. That money could have been spent on public services; we could have improved our health and education services, using the money squandered by the Government in an unnecessary tax cut. Alternatively, the money could have been used to raise personal allowances. Unfortunately, the Government failed to take that opportunity. The Finance Bill fails to promote social justice.

To be fair to the Government, on Report, there were one or two concessions—on buses, bicycles and employee share ownership. We welcome that and we are grateful that constructive opposition occasionally bears fruit. Indeed, in Committee, we managed to delete the word "other" from one schedule. That clarified the law, for which I am sure the tax lawyers outside this place will be grateful.

However, those minor improvements have not improved the fundamental quality of the Bill. As the right hon. Member for Wells said, the Bill increases the complexity of the tax system. An allowance and a relief have been abolished, but in their place has come a 10p tax rate, which creates huge complexities because it means that we now have a multiplicity of tax rates on different sorts of income. People filling in their self-assessment tax returns will suffer headaches as they try to work it all out; many of them will have to pay hundreds of pounds for professional advice. As we enter an era in which we ask the average citizen to fill out a tax return, we ought to make the tax system more simple, especially for elderly people. As the Financial Secretary will recall, we debated that point early this morning.

Not only does the Bill fail the test of improving the tax system by promoting simplicity: it fails to enhance the fairness of the tax system. The Chief Secretary said that fairness was the Government's aim and that, through the working families tax credit and the 10p rate, they were achieving that. However, there are many other ways in which they could have achieved it, specifically, by raising personal allowances. In next year's Budget, the Liberal Democrats want a massive increase in personal income allowances that takes hundreds of thousands—even millions—of people out of the tax system altogether. It is

nonsense that people on low earnings pay income tax. We should return to a fairer tax system that does not trouble many low income earners with the attentions of the Inland Revenue. I hope that the Government will learn the error of their ways and that next year we will have a Finance Bill that increases simplicity and promotes fairness.

10.22 pm

Mr. Edward Leigh (Gainsborough): I shall concentrate on only one clause—clause 27—and the children's tax credit. In his Budget speech this year, the Chancellor made much of fairness. When introducing the children's tax credit, he said:

"In the Budget last year, I set down the two principles that govern my approach: we must substantially increase support for families with children and we must do so in the fairest way. It is in fulfilment of those two principles that the children's tax credit will be tapered away for the higher-earning family where there is a top-rate taxpayer."—[*Official Report*, 9 March 1999; Vol. 327, c. 183.]

Fair enough—if the Chancellor intends to introduce a new children's tax credit in a fair way, there is nothing wrong with that. However, if we look at the Finance Bill, we find that that is not going to happen: the way in which the tax credit is to be implemented is not fair.

A couple in which one partner stays at home to look after the children or an elderly or dependent relative will find that their children's tax credit starts to taper away once the earnings of the partner in work exceed £32,000 a year, and that once that partner's earnings exceed £38,000 a year, no credit will be due. At first sight, that might appear to be perfectly fair—after all, we want to concentrate resources on those who are most in need. However, it is not fair, because a couple in which both partners are in paid work will continue to draw the credit in full until their joint income exceeds £64,000 a year, if each of them earns broadly the same amount as the other and they are not higher-rate taxpayers. What is fair about a system that pays a credit in full to one couple who together earn £64,000 a year, but withdraws it completely from another couple whose income is only £38,000 a year? I cannot perceive the fairness in that.

The children's tax credit is not to be introduced until April 2001. We cannot change this year's Finance Bill, because it is too late, so, looking ahead to 2001, my plea to Treasury Ministers is that they should reconsider that single aspect of the Bill and try to ensure that there is greater fairness in the system. All I am asking is that the Government treat each couple fairly. Surely, as a matter of principle, the Government should allow couples if they so wish—there is no compulsion—to live their lives in the way in which they want to. The Government should allow couples to pool their income and allowances for the purposes of calculating their entitlement to credit. That seems entirely fair.

In that case, the make-up of couples' incomes would be immaterial. It would make no difference whether it was wholly earned by one partner or earned by both—or in what proportion it was split between them. They are a couple, living together and pooling their earnings. If they choose to live their life in a certain way, why should they be penalised so heavily by the state? That is unfair and cannot be just. All couples should be given the opportunity to be treated exactly the same.

There is an even stronger case for my argument. The Government cannot reasonably argue that couples with higher incomes should not be given the opportunity to pool their incomes for the purposes of CTC, since at the very same time under the working families tax credit, they are requiring people at the bottom end of the income scale to disclose to each other their incomes, savings and other details.

The CTC is seen by the Government as part of the benefits system. It is designed to help couples with children. In effect, it is a benefit, although it is termed as a tax credit. Indeed, it was introduced instead of further increasing child benefit. The Government are also considering integrating the CTC with the child premiums in income support and the working families tax credit. All that is fair enough; I do not have any argument with any of it. Does it not show that the Government view the children's tax credit as part of the benefit system?

We know that the basic unit in the benefits system is not the individual but the family—

Mr. Deputy Speaker: Order. The hon. Member for North-East Hertfordshire (Mr. Heald) must not keep passing to and fro in front of hon. Members who are addressing the House.

Mr. Leigh: I am sure that the Whip was trying to be helpful.

Mr. Deputy Speaker: Order. That is not the point. It should not be done.

Mr. Leigh: If the benefits system views the family as a unit, and the CTC is in effect a benefit, why cannot it be treated as such?

Are we to try to build a society that is fair, allows couples to live their lives and does not penalise a couple in which a wife, or possibly a husband, wants—I stress that there is no compulsion—to stay at home to look after the children? Such penalties are unfair and I plead with those on the Treasury Bench to reconsider.

10.28 pm

Mr. Fabricant: This Finance Bill and the Budget statement are typified by the leaflet that was produced by the Treasury at a cost of more than £100,000 and distributed to more than 1.5 million people. This little leaflet is a distortion of the truth; the entire Finance Bill is a distortion of the truth.

The Budget statement made on the day by the Chancellor of the Exchequer gave all the good news and none of the bad news. It took journalists at least three or four days to read the Finance Bill and all the attendant literature in order to extract the truth. This has been one of the most dishonest Finance Bills before Parliament this century.

The Prime Minister and the Chancellor of the Exchequer have claimed that this Bill would reduce taxes. Yet the House of Commons Library, after detailed analysis, stated unequivocally that this Budget will raise £40.7 billion of extra funds from taxpayers. That figure is equivalent to £1,500 per taxpayer over the course of this Parliament. I am astonished that during the proceedings on the Finance Bill and at Treasury questions, Ministers have consistently denied that. At the end of the day, they are claiming that they are right and the independent

[Mr. Fabricant]

House of Commons Library is wrong. The Labour party is endeavouring to fiddle the figures, and that must be wrong.

Labour claims that it is in favour of hard-working families, but the Finance Bill has hit families by scrapping the married couples allowance. The abolition of the tax relief on mortgage payments will cost home owners more than £200 a year, and that is wrong.

The Budget has resulted in Labour taxing motorists off the road. We now have the highest petrol charges in Europe. The Government trumpet that they are in favour of green policies and have introduced the tax break of lower vehicle excise duty for vehicles below 1100 cc, but that is a joke. We all know that even a Fiat Punto's engine is over 1100 cc. That makes a mockery of all the Government's claims. Of course, we do not expect the Labour party to know about such matters. We all know that the Deputy Prime Minister owns two Jaguars, so what would he know about Fiat Puntos?

The Chief Secretary claimed that 10p was the lowest rate of tax, but we know that scrapping the 20p income tax band will result in a tax rise of £60 a year for most people. That is yet another distortion.

In conclusion, this Budget has been driven solely by the Government's desire to disguise the fact that they are raising taxes by stealth and by their desire to win the next election for the Labour party, but the Government underestimate the electorate if they think that they will be fooled indefinitely. The Finance Bill destroys the golden legacy inherited from the previous Government and sows the seeds of economic decline.

10.33 pm

Mr. Loughton: If, after the long haul on this Finance Bill, there is one word that encapsulates what the Bill is all about, that word is stealth. Uncharacteristically, it was the hon. Member for Croydon, Central (Mr. Davies) who put his finger on that. This is the stealth tax Budget.

Throughout the proceedings on the Finance Bill, including this evening's debates, Ministers have boasted of the headline rates of income tax and corporation tax. Never once have they tackled the most important issue of the overall tax burden. As my hon. Friend the Member for Lichfield (Mr. Fabricant) rightly pointed out, the Library explicitly said that the overall tax burden—not the tax rates—of the Government's three Budgets will, over the lifetime of this Parliament, add £40.7 billion to the tax bill. According to the president of the CBI, there will be £20 billion of extra taxes on industry alone. That is from a Government who, in opposition, had no plans to raise taxes.

The British people are wising up to taxation by stealth. The fuel duty and so-called environmental taxes are the biggest red herring, painted green, in the Finance Bill. As we heard earlier, the Bill will destroy large swathes of this country's freight industry. The measures are counterproductive in terms of the revenue coming into the Treasury and in their effect on the environment. It took a great deal of questioning and requestioning to drag out, at long last, the admission from the Economic Secretary that the price of fuel under the Labour Government has increased by 13p per litre in excise duty. People who live in the country will feel the brunt of that. The disabled who rely on their vehicles will also feel the brunt of that. Those who rely on community bus transport, who have no exemption from this tax, will feel the brunt of the increase in excise duty more than anyone else, through no fault of their own.

Environmental measures in the Budget that we applaud, like the 29 per cent. reduction in local gas charges, pale into insignificance without the kick-start that is needed through the capital tax reliefs for which we called. As a result, the reduction becomes meaningless.

The public are waking up to the highest fuel duty in Europe. It is all the making of the Government, when 85 per cent. of the cost of a litre or gallon of fuel is down to tax as per Government instructions in the Bill.

There is the stealth tax of the 10p rate of which we learn with great fanfares while nothing is said about the 20p rate that will be abolished, to be increased to 23p. There is stealth in that the 10 per cent. rate does not apply to people's savings. There is the stealth of the fact that the married couples' tax allowance is to be abolished, to be replaced two years later by the children's tax credit, which is no good if one's children happen to be older than 14. That is no good for prospective pensioners born after a certain date.

With the Finance Bill, the Government are all about giving with one hand with great fanfares and taking by stealth with the other. We have heard this evening about the biggest black hole of them all. There will be unlimited, unaccounted for and unaudited expenditure on the euro handover plan. So much power is being delegated through the Bill to secondary legislation, let alone what may be delegated to the superior powers of the code of conduct group, about which we hear so little.

This is government by stealth. It is government by presentation and headline rather than by practical implications and detail. It is a thoroughly dishonest Budget from a Government who are obsessed by spin, and we should vote against it.

10.37 pm

Mr. Quentin Davies: We have had some very effective contributions in this debate. My hon. Friend the Member for Arundel and South Downs (Mr. Flight) spoke extremely persuasively about the stealth tax policy of the Government. That is the hallmark of the Government, of the Budget and of the Finance Bill, which I hope the House will shortly be rejecting.

My hon. Friend the Member for Lichfield (Mr. Fabricant) spoke with his usual vigour about how disingenuous the presentation of fiscal and economic policy has become under the Government. The Budget speech is no longer a serious occasion when the light and the shade, the pluses and the minuses are presented. All the unpleasant news is either entirely passed over in silence or is hidden with a few glib phrases supplied by a spin doctor from Millbank. Such has been the decline in our proceedings and in the standards of parliamentary presentation that the Government have sadly brought about.

My hon. Friend the Member for Gainsborough (Mr. Leigh) spoke extremely well about the children's tax credit. He is a recognised authority in this country on social security matters. I add only that the children's tax credit brings with it the extremely negative historic

achievement in our tax policy that it destroys the principle of independent taxation. That principle was introduced under a Conservative Administration in the 1980s by Lord Lawson, as he now is. That great achievement is the pillar of a fair and just tax system in a modern society. It is now being destroyed as a by-product of this ill-thought-through policy.

The hon. Member for Kingston and Surbiton (Mr. Davey) made a good speech, but confirmed that the Liberals are to the left even of the Labour party. They are the highest tax-raising party in the country. They are welcome to that position, and I hope that they enjoy it.

The most striking feature of the debate this evening was not the effective and often interesting speeches to which I referred, but the complete silence from the Government Benches. The most revealing—because it is entirely objective—aspect of the debate has been the utter failure of the Government to generate the slightest enthusiasm among their own supporters for their taxation measures and fiscal policy.

I remember that when I entered the House in the 1980s, I looked forward to intervening from the Back Benches in support of the momentous Budgets of the time. I was proud to do so. Not a single hon. Lady or hon. Gentleman spoke this evening from the Government Back Benches, and my goodness, we all know that there are far too many hon. Ladies and hon. Gentlemen on those Benches. We shall have to wait a couple of years to get rid of most of them. Not a single one could muster the slightest enthusiasm for the Government's proposals. Many of them must have had the greatest difficulty in hiding their deep embarrassment.

The cracks are appearing in the apparently bright facade of the new Labour Government. They are appearing in the areas of tax policy and economic management as much as, or more than, in any other field. Let us consider the growing rift in public expenditure between the Government's promises, to which my right hon. Friend the shadow Chancellor rightly referred—promises to spend more money on desirable public services such as health and education—and their total failure to deliver the other half of that commitment: to make savings in social security expenditure.

Mr. Christopher Leslie (Shipley): Will the hon. Gentleman give way?

Mr. Davies: The hon. Gentleman has had plenty of opportunity to take part in the debate. He knows that I like taking interventions, including those from him, and I often take them, but it is a pretty poor show that Labour could not muster a single speaker tonight. Now, because Labour Members are so pained by my strictures, they put up the hon. Gentleman to try at the last minute—and after time—to remedy the obvious deficiency of the parliamentary Labour party in the debate. That will not wash. The hon. Gentleman will have to do better next time and get in during the debate, as he could so easily have done.

If a rift is appearing in the Government's public expenditure policies and the facade of new Labour, that facade is crumbling to dust on the revenue side of the Government's tax policies. We all know that their behaviour has been characterised by a series of stealth taxes. They started right away with the dividend tax credit. We have lost count, but I am sure that someone in Conservative central office is keeping a record—he or she must be employed full-time adding the number of stealth taxes introduced by the Government.

Several of those stealth taxes were revealed in this evening's debate, not least that nasty little trick of bringing to an end the married couples allowance one year, then waiting a full year before introducing its supposed replacement, the children's tax credit, thereby taking hundreds of pounds surreptitiously out of families' pockets. What a sickening thing to do, when the Government continue with their rhetoric about supporting the family. They are doing no such thing. They are making an entirely cynical and opportunistic attempt to take money out of households with children while pretending to do nothing of the kind.

Many Government policies are in shreds.

Mr. Geraint Davies: Will the hon. Gentleman give way?

Mr. Davies: I have already explained why I will not—*[Interruption.]* I am sorry, but if Labour Members lack either the courage or the conviction to take part in debates on these important budgetary matters, and if they do not have a good word to say about the Finance Bill or the Government's tax proposals, I am afraid that I shall rub it in by deliberately not taking interventions from them. As the hon. Member for Croydon, Central (Mr. Davies) knows, I am making an exception by not taking interventions, but tonight's events have been striking. Although no hon. Member will have missed the significance of the silence of Labour Members on the Finance Bill, it is important that the public realise what is going on and how little conviction Government policy carries even among Labour Back Benchers.

The Government's taxation policies are already unravelling and many are in shreds. Only pigheaded obstinacy—or a desperate desire to save face at any price, including the national interest—is holding up the concessions that everybody knows are required and must be delivered. The Opposition have pressed for them during proceedings on the Bill. We must have a change in the annuity rule to get rid of the 75-year rule so that people's pension savings are not thrown away on an annuity that will accrue hardly more interest than that which they would receive from putting their money on deposit or in the gilt market. We must allow draw-down indefinitely and the Government must think again about our proposal to abolish the 75-year rule.

The situation in respect of personal equity plans and individual savings accounts has made the Government a laughing stock in every section of our society that follows financial matters. Every independent financial adviser in this country would endorse that. The Government came to power and destructively decided to get rid of extremely successful policies only to replace them with a colossal failure. The sooner they recognise that, and get rid of the mini ISAs in particular, the better.

As my hon. Friends have said so clearly throughout proceedings on the Bill, the Government have come to the end of the road on the fuel duty escalator as well. Increasing the rate to 6 per cent. was extremely foolish and unsustainable, and the escalator must go. Above all, they have come to the point at which they can no longer

[Mr. Davies]

defend what they are doing on personal tax. I made that point yesterday, and it is going to be made again tonight, but we have had not a single response.

What is the justification for taking hundreds of pounds out of the pocket of someone who has only £5,000 a year to live on? Last night, I referred to a case involving someone who had £1,000 taken out of his pocket and he has only £4,000 a year to live on because people below the income tax threshold are being made to pay tax on their dividend income. What is the justification for introducing a 10 per cent. lower rate of tax and not applying it to savings income? There is no justification in terms of economics or of basic good or evil. Nor is there a common-sense justification for what the Government are doing. They must think again, and it is obvious that their Back-Bench supporters think that they should do so as well.

10.49 pm

Mrs. Roche: After that performance, let me assure the hon. Member for Grantham and Stamford (Mr. Davies) that I managed to hear his every word. I remember his record on Finance Bills from when I was in opposition, and it was very helpful to us. Given his views on Europe, he will continue to be of use to us.

I thank my hon. Friends on the Back Benches who so ably supported us and spoke so frequently in Committee—unlike Conservative Members, who, during their years in power, never spoke on Bills.

I want to correct a few of the comments made by Conservative Members. The right hon. Member for Wells (Mr. Heathcoat-Amory) alleged that social security spending is out of control. How wrong can he be? The forecast of real growth is 1.9 per cent. a year over this Parliament, compared with 4.1 per cent. during the previous Parliament. The rate has halved, but we are still providing extra resources for the poorest in society. Once again, that is absolute proof that a Labour Government are much better managers of the economy.

The right hon. Gentleman had the cheek to allege that savings were less attractive under a Labour Government. The real enemies of savers are instability and high inflation. The Government have no intention of returning to the sky-high inflation rates of the Tory Administration. The savings ratio fell to 3 per cent. in 1988 under the Tories, and we will not let them forget that.

The hon. Member for Lichfield (Mr. Fabricant) poked fun at the 1100 cc cut-off for vehicle excise duty. He had the temerity to call it a joke. Drivers of 1.8 million cars will benefit from a £55 cut in the annual VED, and they will not regard it as a joke—and neither will members of the public in the hon. Gentleman's constituency when he goes into the Lobby tonight to vote against the Bill.

The hon. Gentleman spoke about the road haulage industry. The total tax burden on UK hauliers is lower than that in other major EU states, and is below the EU average. The Government have been able to achieve that because we support business. *[Interruption.]* Conservative Members may mock, but we remember what happened to businesses when they were in power. Under the previous Government, a business went bust every three minutes.

The hon. Member for Gainsborough (Mr. Leigh) referred to the child tax credit and the taper. The taper works according to an individual's income, so if one person in a couple is a 40 per cent. taxpayer, the taper will bite, but if neither of them is, they can each earn about £32,000 and the taper will not bite. During that debate, there was a split between the hon. Member for Gainsborough, who made a plea to abolish independent taxation, and the hon. Member for Grantham and Stamford who, only a couple of minutes later, made an even more passionate plea to save it. That is why we like the hon. Member for Grantham and Stamford.

The Budget builds on a strong foundation of economic stability, advances a modern framework of efficient public services and encourages a dynamic Britain of enterprise and fairness. That is what the country said when people heard the Budget proposed by my right hon. Friend the Chancellor. The Budget and the Finance Bill that implements it are about building a better Britain and a better economy for all our people. I commend the Bill to the House.

Question put, That the Bill be now read the Third time:—

The House divided: Ayes 326, Noes 149.

Division No. 226] **[10.54 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Boateng, Paul
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Corbett, Robin
Corbyn, Jeremy
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Dobson, Rt Hon Frank
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise

Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Gapes, Mike
Gardiner, Barry
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Hesford, Stephen
Hewitt, Ms Patricia
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hope, Phil
Hopkins, Kelvin
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Rt Hon Barry *(Alyn)*
Jones, Mrs Fiona *(Newark)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
Macdonald, Calum
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Rt Hon Alan
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Quinn, Lawrie
Radice, Rt Hon Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Short, Rt Hon Clare
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

Tellers for the Ayes:
Mr. Keith Hill and
Mr. David Jamieson.

NOES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Baker, Norman
Beggs, Roy
Beith, Rt Hon A J
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brand, Dr Peter
Brazier, Julian
Breed, Colin
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Flight, Howard
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James

Green, Damian
Greenway, John
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harvey, Nick
Hawkins, Nick
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lilley, Rt Hon Peter
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Mates, Michael
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Prior, David
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ross, William *(E Lond'y)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Thompson, William
Tonge, Dr Jenny
Townend, John
Tredinnick, David
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Wardle, Charles
Webb, Steve
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Young, Rt Hon Sir George

Tellers for the Noes:
Mrs. Jacqui Lait and
Mr. Geoffrey Clifton-Brown.

Question accordingly agreed to.

Bill read the Third time, and passed.

Religious Minorities (Middle East)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Hill.]*

11.6 pm

Mr. James Clappison (Hertsmere): I am pleased to have the opportunity of raising the important subject of toleration for religious minorities in the middle east, and shall deal with two particularly important issues affecting Iran: toleration of people of the Bahai faith, and toleration of the people of Iran's Jewish community. However, the subject goes wider than Iran, and I appreciate that there are also alarming reports of events in Iraq.

Before dealing with those specific concerns, however, I should like to make it clear that, when I speak of toleration, I am in no sense trying to lecture other countries or to assert that one set of religious or cultural values is superior to another. I should like simply to assert the importance of tolerating the religious beliefs of any minority in any society, whatever that society's political, cultural or religious basis.

In the United Kingdom, such toleration has been hard won over many centuries. Even today, sometimes, that toleration is not as complete as we should wish. I am certainly aware, not of persecution by the state, but of cases in which members of the Muslim community, for example, have suffered from harassment, intolerance and even physical attack, simply because of their religious faith. Therefore, I should like simply to assert the importance of religious toleration.

Many of my constituents are interested in the subject of religious tolerance. On a number of occasions, I have been approached by constituents of mine who are members of the Bahai faith. I know that the hon. Member for Montgomeryshire (Mr. Öpik) is anxious to mention the case of the Bahais, and that my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan) is also very interested in the Bahai community. When Bahais in my constituency have come to see me, I have been impressed both by their character and by their gentle faith. However, in the middle east, especially in Iran, Bahais have faced particular problems of persecution.

Since 1979, more than 200 Iranian Bahais have been killed.

Mrs. Cheryl Gillan (Chesham and Amersham): Does my hon. Friend agree that there are difficult decisions for Bahais, who often have had to keep quiet about their problems for fear of recriminations and reprisals against their families in Iran?

Mr. Clappison: Yes—my hon. Friend makes an excellent point, which has been made also by Bahais to whom I have spoken. Her comment also underlines a report, in September 1998, by the special representative of the United Nations Commission on Human Rights, which detailed wide-ranging violations of the basic human rights of the Bahai community. The United Kingdom Foreign Minister who was dealing with the matter—the late Derek Fatchett, taking a characteristically robust stand in defending human rights—made appropriately robust statements on those violations. I am hoping for a similarly robust approach this evening.

I should like to draw particular attention to another immediate issue of persecution in Iran—the arrest of 13 members of the Jewish community in Iran on charges of espionage. This is a complex story. There have been changes in Iran since 1979, and the picture today is by no means a simple one. It must be said that members of the Jewish community in Iran are allowed to practice Judaism. They enjoy universal suffrage, and there is a representative of the Jewish community in the Iranian Parliament. There are elements in Iranian society and politics who take an enlightened view. It is important to give a balanced picture.

None the less, the background to this particular case is worrying. There has been persecution of members of the Jewish community in Iran since 1979 and the revolution in that country. At least 17 members of the Jewish community have been executed since then. Some of those executions have taken place recently—one in 1994 and two in 1996.

The 13 now under arrest are facing charges of espionage, a charge that carries the death penalty. There have been reports in some quarters that, at first, they faced charges relating to the sale of alcohol. Those are somewhat strange reports. Espionage has been linked to the consumption of alcohol in individual cases, but not to the sale of alcohol. Today, those people face the serious charge of espionage.

It is necessary to look at the character of those who have been charged with this serious offence to assess the credibility of the charge. That credibility is undermined when one takes into account that among the 13 people are rabbis and religious and community leaders—people of great standing in their community. That says something about the nature of the charges and the background to them. We should not give too much of a cloak of respectability to those charges.

I appreciate that those who are charged with the offences will face the Iranian judicial process, and I know that our Government have made certain representations about that process. We would want the people to receive fair and proper treatment under that process. However, I should like our concern to be expressed even more robustly, and I should like us to express concern at the fact that those people are being placed upon trial at all.

There has been a robust international reaction to the subject from France and Australia, among others. In Britain, Ministers are aware of the issues involved, and one Minister has met a delegation from the all-party inter-parliamentary council against anti-semitism. I appreciate that Ministers have taken an interest in that important subject.

I appreciate that this is a complex subject, and there is a complex background to it. I appreciate also that the Government will want a certain amount of flexibility in how they approach this matter. I urge the Minister to give an assurance that the Government will work in every possible way to protect the 13 people facing those most serious charges, and that they will do everything they possibly can, with their discretion, to bring about their release at the earliest possible opportunity. I hope that our Government will assert the need for toleration of this religious minority, and others, in Iran and throughout the middle east.

11.14 pm

Mr. Lembit Öpik (Montgomeryshire): First, I thank the hon. Member for Hertsmere (Mr. Clappison) and the Minister for allowing me to contribute to the debate.

I am not a Bahai myself, but I have come to know and deeply respect their values and traditions. As the hon. Member for Hertsmere said, they have a gentle character which is distinct and defines the nature of their faith.

With 300,000 members, the Bahais are Iran's largest religious minority. Unlike the Christian, Jewish and Zoroastrian minorities, they are not recognised as a religion by the Iranian constitution; as such, they are classified as unprotected infidels, and have no legal rights, even though Iran is a signatory to the international convention on civil and political rights.

The UN special representative to Iran, Maurice Copthorne, reported:

"the situation of the Bahais has not improved; in some respects it has deteriorated".

In July 1998, Ruhullah Rawhani was executed for being a Bahai. Even now, 14 Bahais languish in Iranian prisons, four of them facing death sentences. Iranian Bahais are barred from taking degrees; they cannot hold state sector jobs; their marriages are not respected; and many have even had their businesses repossessed by the state. It seems that their burial sites have even been desecrated.

Iran has yet to honour in full the recommendations of the special rapporteur on religious intolerance, Abdelfattah Amor. His proposals would emancipate all Iran's religious minorities. If they were introduced in phases, as the Bahais have suggested, there would be no need for any changes in the Iranian constitution.

Britain has been a good friend to the Bahais. It backed the resolution condemning Iran at the 55th session of the UN Commission on Human Rights. It is my view that past action by our Government has helped considerably in the fight for decent human rights for Iranian Bahais. I ask the Minister to give an assurance that the Government will continue actively to help Iranian Bahais in both word and deed—thereby, we hope, putting an end to this terrible persecution.

11.17 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Tony Lloyd): I am grateful to the hon. Member for Hertsmere (Mr. Clappison) for raising this important subject, which concerns a fundamental matter of human rights. I want to place on record the Government's policy on religious minorities in the middle east, whose plight has been highlighted recently by the detention on espionage charges of members of the Iranian Jewish community. Promotion of human rights is central to our foreign policy and religious freedom is a fundamental human right. All hon. Members would share that view.

We take every opportunity, working with our European Union partners, to urge all states to pursue laws and practices that foster tolerance and mutual respect and to protect religious minorities against discrimination and intimidation, wherever it happens and whatever the religion of the individual or group concerned. We also regularly raise with the Governments concerned specific cases of religious persecution.

[Mr. Tony Lloyd]

The human rights instruments of the United Nations set clear principles to be applied by states to protect the rights of everyone to freedom of thought, conscience, and religion. We are right to press all states, without exception, to adhere to those principles. Wherever possible, we aim to work with officials, religious leaders and non-governmental organisations at international and local level to promote mutual understanding and tolerance. Where the possibility of meaningful dialogue on human rights issues exists, I believe that it is the best way of achieving lasting improvements.

The human rights policy department of the Foreign and Commonwealth Office has recently started an informal consultation group to bring together a number of non-governmental organisations working for religious freedom. We use the group to exchange information not only about instances of abuse but about practical ways of tackling abuse and promoting tolerance. That is the longer-term agenda, but it is every bit as important as the necessary action that is taken in response to particular moments of persecution.

The hon. Members for Hertsmere, for Montgomeryshire (Mr. Öpik) and for Chesham and Amersham (Mrs. Gillan) all spoke about Iran. However, I recognise the point made by the hon. Member for Hertsmere. There have been some especially positive developments in Iran over the past two years, which should not be ignored and which bode well for the future.

The Iranian Government under President Khatami have undertaken a programme of significant change, which includes the enforcement of the rule of law, full facilitation of freedom of expression and a more open and co-operative foreign policy. Those steps should help to create an environment more conducive to the protection of individual rights and freedoms.

The Iranian Government have made significant progress with the programme. In particular, there is now an unprecedented freedom of debate in Iran, as most impartial observers recognise. The role of the press is increasingly prominent: it is becoming more open and critical and is having an impact, especially on the use of torture. We welcome and recognise those changes.

The effort to establish a civil society based on the rule of law has made progress as well. Democracy has been extended. The first local elections were held on 26 February, and showed overwhelming popular support for the reforms taking place in Iran. The Iranian Government are also steadily improving their relations with their neighbours, especially in the Persian gulf. That is a particularly welcome development. Iranian co-operation is vital for future stability in the region, but we must look at the country's record in the round, and I take on board what has been said about the two groups that hon. Members have mentioned.

I shall turn first to the question of the Jewish detainees. I hope that I can demonstrate that the Government have been active, bilaterally and through our multilateral arrangements and partnerships. Specifically, we and our European Union partners remain especially concerned about the recent detention of members of the Iranian Jewish community. We first became aware some weeks ago that a number of Jews had been detained without charge in Iran, but some time had passed since the detentions took place.

It was not easy initially to establish the truth amid the rumours circulating about what had happened. We have been in regular contact with the Agudas Israel organisation, both in the UK and, through our mission in New York, in the United States. We have also been in touch with the Board of Deputies of British Jews and with the other bodies and organisations that have drawn attention to these cases. The more reliable accounts now seem to indicate that 13 Iranian Jews have been detained. On 7 June, it became apparent, first through media reports from Iran and then officially, that they had been accused of espionage.

Before that news broke on 7 June, the German European Union presidency—representing all EU Governments—on a visit to Tehran on 20 May had already expressed the concern of member states at these detentions. That was followed up by a formal EU demarche in Tehran on 30 June. The Minister of State, my hon. Friend the Member for Ashfield (Mr. Hoon) made a statement on 10 June expressing the Government's strong concern about those detained. The Iranian ambassador was summoned on 1 July, when my hon. Friend pressed for a fair trial and access for visitors.

Many of our EU partners have taken similar action. Our ambassador in Tehran has also raised our concerns bilaterally with the Iranian authorities. We welcome one positive step—the Iranian Government's recent confirmation, following the arrests, that they accept responsibility for individuals of every religious persuasion in Iran, including specifically the Jewish community, which is officially recognised under the Iranian constitution. The constitution thereby guarantees them a fair trial. As my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs has said:

"The Government condemn anti-semitism wherever it occurs"—[*Official Report*, 22 June 1999; Vol. 333, c. 915.].

That applies as much to Iran as to anywhere, and we shall continue to monitor the situation, and take further action as necessary.

Our priority will be action most likely to help those detained. This is more than a simple human rights issue, as it goes to the heart of president Khatami's declared objective of fully establishing the rule of law in Iran.

Mr. Clappison: The Minister will be aware that the Government have received a representation from, among others, Mr. Netanyahu, the former Prime Minister of Israel. The shadow Foreign Secretary, my hon. Friend the Member for Stratford-on-Avon (Mr. Maples), has asked the Government to make public their response to that contact. Will the Minister tell us something about that?

Mr. Lloyd: I cannot give the hon. Gentleman a response about the Government's position. Normal practice is that representations from individuals, of whatever background, are treated as confidential, and it is for individuals to make their representations known if they wish to. I shall, however, look into the matter, and may write or speak to the hon. Gentleman in due course.

I can confirm what was said by the hon. Member for Montgomeryshire about the plight of the Bahai community in Iran. Unlike the Christian community, the Jewish community and the Zoroastrian community, which have special protection under the Iranian constitution, the rights of the Bahai have no such protection. Their plight

has been of serious concern for some time, and it remains so. We and our EU partners have raised our concerns with the Iranian authorities on many occasions. I was grateful for the hon. Gentleman's remarks about the role played by our deceased colleague Derek Fatchett, who made his extremely forthright views on human rights known to the Iranian authorities.

Persecution of individuals on religious grounds is totally unacceptable, whether or not a group is recognised by the constitution. The United Nations Commission on Human Rights resolution on Iran, sponsored by the EU and adopted on 23 April, reaffirmed international concern about the situation. We supported the resolution, which clearly signals the concerns of the entire international community.

We and our EU partners have also raised individual cases of concern with the Iranian authorities, most recently the cases of Mr. Najafabadi and Mr. Dhabihi-Mugaddam, both of whom face the death sentence. We were told on 4 October that their cases were subject to review by the Iranian supreme court. To date the sentences have not been carried out, and we have been led to believe that they will not be. That is welcome, but we await certainty on that point.

We also raised our concerns about the arrests at the end of last year of members of the Bahai institute of higher education, which relates particularly to the point made by the hon. Member for Montgomeryshire about access to education. The concern of successive British Governments has been marked and continuous, and we shall continue to press it.

The hon. Member for Hertsmere referred to Iraq, and I can put religious tolerance into a wider regional context. Religious minorities in Iraq have long been subject to discrimination and oppression. Simple expressions of belief lead to fear of arrest or imprisonment, as has been recognised by the UN Commission on Human Rights which, in its resolution on Iraq earlier this year, called on the Government of Iraq to respect and ensure the rights of all individuals, irrespective of their origin, ethnicity, gender or religion.

One interesting feature is that the majority Shia community, which amounts to about two thirds of the population, is the most persecuted group in Iraq. Reports from the United Nations Special Rapporteur on Human Rights, Max van der Stoel, whose specific brief is Iraq, show a systematic policy of intimidation against the Shi'ite religious community. Amnesty International has drawn attention to reports from June 1998 when hundreds of Shia Muslims were arrested by security forces in Karbala during processions to celebrate a religious anniversary. Scores of others were shot dead when Iraqi forces opened fire indiscriminately.

Mr. van der Stoel described the systematic attacks and assassinations of Shia clerics, such as the murder of Ayatollah al-Sadr in February, as part of a planned policy aimed at discouraging religious leaders from freely expressing their opinions and religious beliefs. Amnesty International believes that more than 100 Shi'ite clerics have disappeared since 1991.

The regime treats other religious minorities similarly, for example the Assyrian Christians, Turkomen and Yazidis, who all face ill treatment and repression. The fate of 33 members of the Yazidi community, for example, who were arrested in July 1996 remains unknown. Iraqi opposition groups have released documents that detail on-going ethnic cleansing of the Kirkuk region of its Kurdish and Turkomen residents. Similarly, in December, Iraqi tanks and troops entered an Assyrian village near Mosul, causing the inhabitants to flee.

I could continue at length, but time prevents the full record being established. As Max van der Stoel stated, the current regime has effectively eliminated freedom of thought, expression, association and assembly, in addition to the civil rights to life, liberty and physical integrity. There can be no doubt that, for the foreseeable future, the people of Iraq will not enjoy respect for their religious beliefs or their other human rights.

I thought that it was worth while establishing that contrast, not because we are sanguine about intolerance of religious minorities in Iran—of course we are not—but to point out that in the Iranian context we at least believe that we have the possibility of constructive dialogue. It is a dialogue that we will use forcefully. Sadly, I cannot tell the House that similar dialogue is possible with Iraq.

I reiterate to all hon. Members the central point that the Government are committed to a foreign policy that has human rights as its very essence. Of course, religious freedom must be one of the essentials. It is enshrined in international law and covenant and it is something that we as a Government will continue to pursue because we have a duty to do so.

I will contact the hon. Gentleman about Mr. Netanyahu and I am grateful to him for giving us the opportunity to have this important debate. While the House is not packed, its voice will be heard in Iran and Iraq and the message of concern and condemnation will spread much more widely than the small number of hon. Members here tonight would suggest.

Question put and agreed to.

Adjourned accordingly at twenty-seven minutes to Twelve o'clock.

House of Commons

Wednesday 7 July 1999

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Wildlife Protection

Motion made, and Question proposed, That this House do now adjourn.—*[Mrs. McGuire.]*

9.33 am

Ms Julia Drown (South Swindon): I am delighted to have the opportunity to raise this important issue today, as 7 July is the 50th anniversary of the National Parks and Access to the Countryside Act 1949—now known as the Wildlife and Countryside Act 1981—which established the existing framework for wildlife protection and access to the countryside. I know that wildlife protection is a matter of great concern to hon. Members, especially on the Labour Benches, and I hope that a number of others will be able to participate in the debate.

I hope that, in the debate, we will succeed in persuading the Government to include a new wildlife and countryside Bill in the 1999 Queen's Speech, to cover the many issues that need to be addressed—the measures that would not only increase the protection of wildlife but increase people's enjoyment of the countryside. That would not only benefit us today, but would be an inheritance that we could leave for future generations.

The past 50 years have brought marked changes to our environment and countryside, some of them good, but many of them destructive and regressive. Many of our best wildlife sites have been lost and species that were once common are now endangered. That is a matter of great concern to my constituents and, sadly, sites in my constituency, are among those that have suffered as a result of inadequate protection.

The challenge to protect our natural heritage is greater than ever. That is emphasised by the shocking figures that starkly illustrate the threats to our countryside. At a rate of almost one a day, more than 300 of the United Kingdom's best wildlife sites are lost or damaged every year. We have seen a huge decline in wild flower meadows, lowland heathland, hedgerows and ancient woodlands in Britain.

Over the past 50 years, more than 25 species have become extinct in the wild in the UK, and more are heading that way. The World Wid Fund for Nature has projected that if no action is taken, water voles will become extinct in 2003, skylarks in 2009, and the song thrush will vanish from farmland by 2006.

Many have welcomed the Government's Green Paper on sites of special scientific interest, which I shall call special sites. It outlined how such sites could be better protected. However, it is critical that those proposals are translated into action at the earliest opportunity. Delay simply means more damage and destruction to our countryside. The Government could do more than they have outlined in the Green Paper by examining the needs of species outside those special sites, where there are also serious threats to wildlife.

More than half of all hon. Members—343 in all—have signed early-day motion 11, which calls for a wildlife Bill based on the wildlife charter. The level of support that it has received sends the strongest signal to the Government that there is a firm belief right across the political spectrum that early action is essential.

The Wildlife and Countryside Act was revised in 1981, but it is out of date and is not working. Landowners and managers are not legally obliged to manage special sites for the benefit of the wildlife for which they were declared. There have been no prosecutions for destroying listed plants, and only a handful of prosecutions for harming animals, other than bats.

Mr. Tam Dalyell (Linlithgow): I participated in the Committee stage, which was 100 hours, of the 1981 Act. One of the troubles is not the Act, but the reluctance of authorities to go to the courts to prosecute. I wish my hon. Friend well with all my heart in her efforts to persuade the Government to introduce another Bill, but something must be done to persuade authorities to go to law, when that is justified.

Ms Drown: I agree with my hon. Friend. The improvements to the legislation must include clearer statutory duties for landowners and managers, as well as better enforcement, strengthened powers to enter land, and stiffer penalties that would act as a real deterrent. There should be improved powers for statutory nature conservation agencies, so that they can fulfil an effective watchdog role. Landowners also need advice on how they can protect wildlife and which practices will cause damage.

The objective is not anti-farmer or anti-landowner legislation. Farmers in my constituency have made clear to me their commitment to wildlife and the environment, and how they want to co-operate with the Government and environmental groups to get the best for the countryside.

That brings me to incentives. I ask the Government to consider incentives to encourage landowners to invest in the proper management and protection of wildlife. In 1996–97, management payments on special sites amounted to £12 million. Those were typically compensation payments for not carrying out an activity, rather than an incentive for positive management. Compensation payments can be far less than an owner could get for rearing sheep or cattle, or for growing flax, so better directed incentives may reap better rewards for wildlife in the UK.

I urge the Government to take a broader look at how policies across Departments impact on the success of wildlife and countryside legislation. For instance, agricultural intensification has led to a reduction in the quantity and quality of habitats such as heather moorland, chalk grassland and lowland wet grassland. Species are lost because of overgrazing of pastures, undergrazing of marginal land, the use of chemical fertilisers and pesticides, and the loss of traditional crop rotations. Water abstraction can lead to the drying out of important wetland sites, and planning decisions made years ago continue to cause harm to sites—for example, through mineral extraction. Revising planning policy could help in that

[Ms Drown]

respect. The Department for Education and Employment could also have a part to play in improving education in our schools on the environment and protection of wildlife and encouraging initiatives among children to help to protect their local wildlife.

A coalition of 22 wildlife organisations, including the National Trust, the Royal Society for the Protection of Birds, Friends of the Earth and the Wildlife Trusts, is supported by more than 5.5 million people in the United Kingdom. Most political parties would be glad of such a membership. It is campaigning for better legal protection for wildlife. Specifically, it wants legislation to be introduced that will deliver the Government's manifesto commitment to

"ensure better protection for wildlife".

Such a Bill will also provide an ideal opportunity to introduce the Government's proposals for improved access to open countryside, and I know that ramblers in South Swindon are anxious for it to be enacted at the earliest opportunity. I therefore urge the Government to announce a comprehensive wildlife and countryside Bill in the 1999 Queen's Speech to back up their determination to halt further environmental degradation and to bring many of their good intentions to fruition.

In many cases, we cannot replace the wildlife habitats that we are losing without legislation to protect them. We certainly cannot bring back species that become extinct. There is a consensus on the need for action. For the sake of wildlife, the enjoyment that our countryside brings and the wonderful inheritance that we could leave for future generations, I urge the Government to listen to the calls made by my hon. Friends and by me today.

9.41 am

Mr. Desmond Swayne (New Forest, West): I support much of what the hon. Member for South Swindon (Ms Drown) has said and I am sure that the Bill for which she asks will enjoy broad cross-party support. Indeed, I have expressed my support for it by signing early-day motion 11 and a number of similar ones.

For the benefit of the Minister, I want to air a parochial concern that, because of the nature of the New forest and the fact that it is the most important wildlife and ecological sanctuary in western Europe, is also a concern for the nation. I do not want him to take the opportunity presented by the introduction of a wildlife protection Bill in the next Session to slip through a new national park status for the New forest. My concern is that changes made to the existing management structure of the New forest will be for the worse and to the detriment of wildlife protection and that sensitive ecological area.

I estimate that no modern legislation would afford the powers that the existing structures enjoy, although those structures are undemocratic. It would not give them the power to stand against so-called progress and development. If hon. Members consider the issues of development versus conservation as they have arisen over the past 30 years in the New forest, they will find that, on every occasion, one or other of the local authorities—be it Hampshire county council or New Forest district council or its forebears—has stood on the side of development, democratically representing the wishes of the people.

To take the cause celebre—the great Lyndhurst bypass—there was a democratic call for the private Member's Bill on it which was considered in this Parliament. By sponsoring it, Hampshire county council was responding quite legitimately to the democratic concerns expressed by the people of Lyndhurst and of Lymington. We know the history of bypasses at Newbury and in the west midlands. We also know of the attendant legitimate concern of people who are interested in the protection of wildlife habitats and we have witnessed the public disorder that may arise from that concern. But we should bear in mind the fact that the people of Lyndhurst and of Lymington sought that bypass.

The bypass would have taken up an enormous swathe of the New forest. My concern is that, had there been a park authority—loaded, as it inevitably would have been, with representatives of the democratically accountable district and county councils—it would have said, "On people versus ponies, because of the development of the fast-growing, economically viable southern coastal strip below the New forest, people are more important that ponies, so we ought to let the bypass go through." I believe that that would not have been in the interests of the New forest or the nation.

It is the job of legislation to protect the interests of the New forest. The Minister will no doubt assure me, as he has done in the past, that the existing structures will not be constrained by any change in status that he might envisage. In other words, the existing laws, which govern the New forest and give the verderers court the power that it now enjoys to thwart development, will not be changed. I understand that, but there is a difficulty and it will arise merely because of the existence of a national park authority or quasi-authority.

I quote the experience of Anthony Passmore, one of the senior and most experienced verderers, as he told it to me. He said, "Mr. Swayne, a national park body may not constrain or change the existing verderers court and its authority, but suppose that there had been a national park authority, representing the strategic view of the future of the New forest and all that that implies, when the Lyndhurst bypass Bill was going through Parliament. Suppose that it had said that there should be a Lyndhurst bypass. Would the verderers court, irrespective of its ability and power to say no, have had—to put it bluntly—the guts to say no when the whole thrust of the strategic authority, which is charged with drawing up the strategy for the future of the New forest, had been that the bypass should go ahead?"

With respect to any changes that the Minister might envisage that would not necessarily change the power of the verderers, who are the guardians of conservation in the New forest, I warn him that there may be unforeseen effects. I would counsel him that any legislation that he might introduce that would change the status of the New forest or alter the balance of the powers within it would be highly likely to be a hybrid Bill, given the existence of the commoners and their rights. That might introduce all sorts of difficulties for a wildlife protection Bill, which the hon. Member for South Swindon would not welcome.

9.48 am

Mr. David Taylor (North-West Leicestershire): I congratulate my hon. Friend the Member for South Swindon (Ms Drown) on securing an Adjournment debate

on this most important topic. My constituency is at the core of the new 200 sq miles national forest. It is developing rapidly and transforming the landscape in several different counties. I shall speak about the mirror image of our expanding forest: the contracting ancient woodlands and the continuing threats that they face.

In England and Wales, ancient woods are areas where there has been continuous woodland cover since at least 1600. Planting was uncommon before that date, so woods were likely to have developed naturally. In Scotland, ancient woods date from 1750, because the best historical maps available are from a military survey carried out at about that time.

It is particularly relevant in the context of this debate to address the protection of ancient woodland, which is one of the great irreplaceable glories of our natural heritage. As the habitat most representative of original, natural, stable conditions, it is home to more threatened species than any other habitat in the United Kingdom. That is underlined by the United Kingdom biodiversity action plan, which suggests that broadleaf woodland supports nearly twice as many BAP species as any other habitat. It supports more than twice as many species as chalk grassland, and nearly three times as many as lowland heathland. It must be a key element in any Government strategy aiming to provide better protection for wildlife.

Ancient woodlands are the last bastion of a good deal of our wildlife heritage. They deserve proper protection, and there could be no more appropriate time than the millennium to consider that. The problem is that 85 per cent. of ancient woodland, including five of the 12 largest ancient woodland sites in the United Kingdom, lacks the designation of site of special scientific interest, or, indeed, any other designation. More than half of Britain's semi-natural ancient woodland has been lost since the first world war, mainly through conversion to conifer woodland and clearance for agriculture. In England, Wales and Scotland, just 300,000 hectares of ancient semi-natural woodland survive—an area roughly the size of Leicestershire. In Northern Ireland, there are no accurate records of the amount of ancient woodland, as far as I am aware.

Ancient woodland remains constantly under threat, especially from development pressures. The Government forecast that, in the next 20 years, 1.44 million more homes will be needed in south-east England; but that is the richest area that we have for ancient woodland. Kent, Hampshire, East and West Sussex and Surrey hold nearly 30 per cent. of such ecological treasures. The Channel tunnel rail link, the Newbury bypass and countless less well-known road schemes have threatened or destroyed areas of ancient woodland. Increasingly, ancient woodland is now to be found in small fragments: islands of biodiversity surrounded by a hostile landscape of intensive agriculture and urban sprawl.

More than 80 per cent. of individual ancient woods in the inventory of England and Wales are less than 20 hectares in size. Just 500 exceed 100 hectares—1 sq km—and only 12 ancient semi-natural woods are larger than 300 hectares. These fragments are often too small to sustain healthy populations of many woodland species, and too isolated to allow migration. As global warming becomes a reality, many species, unable to relocate, face the likelihood of extinction. The bleak picture is considerably worsened by the degradation of our ancient woods through inappropriate use, poor management and repeated replanting with non-native species.

Although, in some ancient woodlands, endangered species, such as the hon. Member for New Forest, West (Mr. Swayne), hang on, in the past 100 years more species have become nationally extinct in broadleaf woodland than in any other habitat—46 species—and it also contains the most globally threatened and rapidly declining species—78. The Institute of Terrestrial Ecology's "Countryside Survey 90" showed that, between 1978 and 1990, there was a 14 per cent. loss of "species richness" in such woodlands, a higher figure than in any other semi-natural habitat.

What action should the Government take to staunch the worrying losses of ancient woodland? There are some encouraging signs that the need to protect these crucial sites is being recognised, but words must be matched by actions. The "England Forestry Strategy", published by the Government at the end of last year, contains a commitment to review the effectiveness of existing measures to protect ancient semi-natural woodlands, and to provide added protection if that is shown to be necessary. Organisations such as the Woodland Trusts, in its recently launched millennium challenges to Government—I believe that the Minister was present at the launch—have said how crucial it is to deliver on that core commitment. A similar commitment was given in the "United Kingdom Sustainable Development Strategy", along with a statement of the Government's aim to halt the trend of ancient woodland loss and fragmentation. It is crucial for those commitments to be acted on quickly.

Hon. Members sometimes speak of the need for protective mechanisms targeted at land adjacent to SSSIs, and of the importance of empowering Government agencies to fulfil an effective watchdog role. I agree: SSSIs certainly need to withstand environmental change, and the measures suggested would be helpful. Agencies have a key protective role, but I believe that similar measures for our ancient woodlands are needed even more urgently. There must be no further loss of ancient woodland. The time really has come to say, "Enough is enough."

I support environmental organisations that are pressing for a fully maintained, up-to-date inventory of ancient woodland covering the whole of the United Kingdom, with regular assessments to confirm the extent and quality of the nation's ancient woods. We must also provide better protection of ancient woodlands such as Gracedieu woods in north-west Leicestershire through legislation and the planning system. I believe that, in the longer term, a special designation for them will be needed to toughen up those controls.

We must also encourage owners of ancient woodland to understand its importance and manage it appropriately, and provide better guidelines and incentives to help them to do so. We must assist appropriate groups to continue to acquire ancient woods, and bring them under sensitive management. Finally, in providing new native woodland cover, we must target it to link and buffer existing ancient woodland sites that should be seen as the key resource in enhancing people's enjoyment of woodland.

I believe that we should treat ancient woodlands, those timeless places of great tranquillity and beauty, as the foundation of our approach to improving biodiversity. I should very much like to hear the Minister's comments.

9.57 am

Mr. Tom Brake (Carshalton and Wallington): I join others in congratulating the hon. Member for South Swindon (Ms Drown) on securing this important debate. I support her call for the inclusion of a wildlife Bill in the next Queen's Speech, and would be happy to facilitate the swift passage of such a Bill.

As has been said, the debate is timely. Fifty years after the post-war Government's landmark legislation, new measures are needed to protect our wildlife. The House is well versed in the arguments: we debated them in an Adjournment debate initiated by my hon. Friend the Member for South-East Cornwall (Mr. Breed) on 14 April, and, only last week, a linked issue—the protection of areas of outstanding natural beauty—was discussed in an Adjournment debate called by the hon. Member for Gower (Mr. Caton).

Early-day motion 11, tabled by the hon. Member for Brighton, Pavilion (Mr. Lepper), continues to attract increasing support. As of yesterday, when I checked, it had the support of no fewer than 343 hon. Members. In the last Session, a similar early-day motion received the support of 302 hon. Members, so progress is clearly being made. A clear majority not just of Back Benchers, but of the House as a whole, now favours legislation. I hope that the Minister will note that.

Threatened species were mentioned in those earlier debates, and have been mentioned again today. I have obtained a few new examples. One is the nail fungus, which lives in the dung of horses, mainly in the New forest in Hampshire. The hon. Member for New Forest, West (Mr. Swayne) may well be familiar with such species. The nail fungus is internationally threatened, but has been refused protection because the threats that it faces are not intentional. That is a key point, which the Minister should consider. The Wildlife Trusts tell me that it can only advise on the need; there is no law to back it up.

There are other examples that are more local to my constituency. As a Member whose constituency is in Greater London, I am particularly concerned about the future of the Erith marshes in south London, which support breeding skylarks, grass snakes and the hugely important population of water voles. They are threatened by the proposed development of a supermarket distribution depot. Currently, the law can do nothing to stop that development.

I could mention many other wildlife species or habitats whose days are numbered. In Surrey and across south-east England, where the pressure to build is greatest, acres of ancient woodland are under threat. The Deptford pink, the sandy stilt puffball and dormice are all under threat somewhere in the United Kingdom.

Today's debate is timely not only because we are marking the anniversary of the National Parks and Access to the Countryside Act 1949, but for another reason, because the Government seem to be starting to wobble in their commitment to require that 60 per cent. of new build should be on brown-field sites. As the current rate of such build—1996 is the most recent year for which figures are available—is 56 per cent., a target of 60 per cent. can hardly be thought to be challenging. The Government have to be bolder both on that issue and on wildlife protection.

The debate is also timely because a revised planning policy guidance note 3 has just been issued, although it has relatively little to say about the biodiversity implications of new housing development. The PPG also provides no guidance whatsoever on minimising the indirect environmental impact of housing development.

I should like to deal with a couple of wildlife reform matters that I have not dealt with before. First, it is—at best—unclear whether the United Kingdom biodiversity action plan is adequate to fulfil the requirements of the 1979 European Union birds directive and the 1982 habitats directive, both of which require restoration of protected habitats. As the biodiversity action plan has not been implemented statutorily, many of its prescribed actions have no Government funding and can be undertaken only by voluntary bodies. I shall be grateful if the Minister will tell us whether such provision fulfils the function of habitat restoration required by the EU directives.

The second matter also concerns EU law. The EU birds directive requires the United Kingdom Government to designate as special protection areas sites that support internationally important concentrations of particular bird species. However, certain species listed for protection under the directive are not covered by the existing SPA network, as their populations are dispersed over a much wider area. Some heathlands in England—the Thames basin heaths, Wealdon heaths and Breckland—for example, support important populations or rare species, such as the stone curlew, woodlark, nightjar, and the Dartford warbler, but are still not protected by SPA status. Although that issue is slightly different from that of sites of special scientific interest, it is certainly relevant to today's debate, and illustrates the general crisis facing United Kingdom wildlife.

We should be in no doubt that time is running out for our wildlife. Here are a few facts: every day, another SSSI is destroyed or damaged; in the past six years, there have been more than 2,000 cases of damage to SSSIs; and 45 per cent. of all SSSIs are deemed to be in an unfavourable condition. Time is, therefore, of the essence—as I said in our most recent debate on the issue, in April. Since then, unfortunately, nothing much has changed—except that two more months have elapsed, and, undoubtedly, another 50 or 60 cases of damage to SSSIs will have been recorded.

In 1997, Labour was elected with a pledge to ensure better protection for wildlife. As we approach 2000, it is time to deliver on that pledge. In 1949, the Attlee Government had the foresight to introduce their legislation; now, the Government should show similar foresight. As other hon. Members have said, adequate legislation must be introduced in the next Queen's Speech. The House of Commons wants such legislation. I think that Ministers at the Department of the Environment, Transport and the Regions also want legislation, and I know that the country wants it. Now, it is time for the Prime Minister to deliver it.

10.4 am

Mr. Gordon Prentice (Pendle): I am very happy to contribute to this very important debate on wildlife conservation. I shall keep my remarks brief, as I know that many colleagues wish to speak.

A moment ago, my hon. Friend the Member for North-West Leicestershire (Mr. Taylor) spoke about the importance of ancient woodlands, and said that we should

help people to understand the importance of maintaining them. As he was speaking, I allowed myself a wry smile, because it was only a few years ago, in 1995, when the warden of Windsor great park ordered the felling of 65 ancient oak trees that dated back to Queen Anne's days. The warden of Windsor great park is, of course, the Duke of Edinburgh. If he does not know the importance of ancient woodland, what hope is there for us?

The hon. Member for Carshalton and Wallington (Mr. Brake) spoke about the nail fungus living in the dung of New Forest ponies. Tragically, that is not the only species that has gone in recent years. I received a briefing from the Royal Society for the Protection of Birds, stating that the Essex emerald moth has gone—it is extinct. The mouse-eared bat, which sounds like an endearing creature, is gone for ever—extinct. As for plant life, alpine butterwort is gone, as is the purple spurge. I do not know what the purple spurge looks like—I have probably never seen it in my life—but I feel that it is a tragedy for all of us that it is gone.

We need to act, and to act quickly. This morning, on the "Today" programme, I heard the Minister for the Environment tell us that action would be taken. He was good; he is always good. If I had a vote for Ministers—tragically, I do not—he would have my vote. I hope that he keeps his job.

Mr. David Taylor: Kiss of death.

Mr. Prentice: We all want my right hon. Friend to keep his job. We do not want him to be moved, to placate some lobby saying, "The Government are too green. We've gotta get rid of him." I want him to stay where he is.

The countryside Minister told John Humphrys that we need legislation to protect sites of special scientific interest, and that it was not a question of if, but when—which had a familiar ring to it. This year, in March, when I withdrew my Right to Roam Bill, he told me that the Government were in favour of opening up the countryside—4 million acres of mountain, moorland, heath and common land—and that that would be done as soon as parliamentary time permits. This November, we want to see that parliamentary time permitted.

This Session, we have dealt with the City of London (Ward Elections) Bill. No one asked me whether we should consider that Bill. Mysteriously—magically—we discovered ourselves debating it in the Chamber. That Bill has never been debated in the parliamentary Labour party, and no one in the wider Labour party knows about it. Personally, I feel quite hostile to it; but we debated it. In the same breath, however, we are told that we cannot introduce wildlife and habitat legislation because of a problem with parliamentary time. There is lots of parliamentary time.

Mr. Brake: I wonder whether the hon. Gentleman would be prepared, as I would, to extend our stay in this place a little into our rather generous summer recess to address the issue?

Mr. Prentice: The hon. Gentleman's comments would carry more force if he had a few Liberal Democrat colleagues sitting behind him. I should say, just for the record, that one Liberal Democrat Member—from a party that waxes lyrical about its concern for wildlife and habitat—is in the Chamber. It is a pity that, today, he could not get a few more Liberal Democrats Members to come and support his request.

This morning—to get back to the point—the countryside Minister said that he was seeking the earliest legislative slot for the relevant Bill. Listening to him, I started running around trying to find a pen, as I thought that he was going to say something of great moment, which he did. He said that there was a very good chance of obtaining that legislative slot, and then he played his trump card: "Tony Blair is strongly in support of this."

So what is the problem? The Prime Minister apparently supports strongly the need for early legislation. The problem is that too many people just do not believe it. Philip Rothwell, head of policy operation at the Royal Society for the Prevention of Birds [HON. MEMBERS: "Protection."] I am obviously too fired up today. Let me call it the RSPB. Mr. Rothwell was quoted in *The Express* as saying:

> "Tony Blair is not interested in the environment and he has surrounded himself with advisers who are not interested either."

The RSPB is not some fringe organisation that can be dismissed with a wave of the hand. There are 3 million members of the RSPB and other organisations dedicated to the protection of wildlife.

If the RSPB holds that view, we can imagine the millions more who feel the same. The perception exists that the Government are dragging their feet, and much that has happened has reinforced that idea. I was given a commitment in March that there would be legislation on the right to roam, but the papers tell us that the idea has been shelved in case it alienates landowning interests. Fox hunting is immensely important, particularly to our younger constituents, but the Government give the impression of being unwilling to take on the blood sports lobby.

Despite what my right hon. Friend the Minister for the Environment said on the radio this morning, there is a feeling that wildlife is another area that may fall off the end of the plank. If we are governed by focus groups that tell us that health and education are the top priorities—as they must be—it is inevitable that wildlife protection will be regarded as less important in the great scheme of things. But that is a mistake.

Our attitude to wildlife boils down to trust. Do the people trust the Government to deliver? If we do not deliver on wildlife, it will be impossible to make promises about legislation at the next election. We have an enormous majority, and we control the legislative agenda. We could sit here for 12 months to pass a wildlife Bill if we wanted to.

The Government must recognise that SSSIs are being damaged and that more must be done to protect habitats. There is huge support for legislation, and a Bill would immensely cheer up my colleagues in the parliamentary Labour party. A fortnight ago, we held a debate—no vote of course—on what we should like in the Queen's Speech, and there was overwhelming support for legislation on access to the countryside and on wildlife. To coin perhaps the wrong phrase, we could kill two birds with one stone by yoking the two areas together in a comprehensive Bill. The legislation would have no cost, or at most a very low cost. I urge my hon. Friend the Under-Secretary of State

[Mr. Prentice]

for the Environment, Transport and the Regions to do all in his power to persuade the decision makers to introduce such a Bill in November.

10.15 am

Mrs. Helen Brinton (Peterborough): I am delighted to add my voice to those calling for greater protection for wildlife, and particularly to that of my hon. Friend the Member for Pendle (Mr. Prentice) who spoke with great passion. It is fitting that we should mark the 50th anniversary of the National Parks and Access to the Countryside Act 1949, which was, as so many have said, ground-breaking legislation introduced by a great Labour Government, by returning to the issue of wildlife protection and asking what improvements we can make.

We must accept that improvements are now needed to that legislation. My right hon. Friend the Minister for the Environment knows that, and I commend him on his hard work in this area. However, to make improvements that we all want for the protection of sites of special scientific interest, we need new legislation, and I hope that the next Queens Speech will include a Bill.

The need for improvements is illustrated by Government figures showing that more than 300 SSSIs are damaged every year. The effect of even just one more year's delay is absolutely clear. A year's delay would mean another 300 of our finest and most treasured wildlife sites being destroyed or ruined. We cannot allow that to happen.

My constituents have raised this matter with me. The protection of wildlife sites and SSSIs has real resonance with members of the public who want our countryside to be preserved and the wild animals and wild flowers that make the countryside such a special place to be protected. I have received many letters from constituents, and many hon. Members will have received, in the form of an enormous daisy chain, a novel and very large petition from their constituents.

It is easy to see why the issue has such resonance with the public. Many beautiful places known to our constituents are being damaged. In Northamptonshire alone, two SSSIs have been all but destroyed. A tiny fraction of Harleston heath remains; despite its SSSI status, the rules to protect it from development and forestry were too weak. Likewise, only a fragment of the Oakley purlieus SSSI remains, its having been destroyed by quarrying.

On top of the loss of those beautiful places, the public recognise the loss of important and well-loved species. I was staggered to see in today's report from the wildlife and countryside link that 25 species have become extinct in the UK since the passage of Clem Attlee's 1949 Act. We think of extinction as something that happens in countries struck by poverty, or as a relic of the last century. We think of it happening when people destroy habitats in a desperate attempt to grow food or scrape out a living. We do not think of it happening in a prosperous country such as the United Kingdom, where there are laws to protect the countryside.

Other species have suffered dramatic declines. The grey partridge has declined by 78 per cent. since 1972, and the tree sparrow by 87 per cent. Even among birds as common as starlings—once positively a pest because of their enormous flocks—numbers have dropped dramatically. People notice these changes, and the introduction of a Bill to halt the decline would be extremely popular and effective politics.

As I said earlier, my right hon. Friend the Minister for the Environment has taken a superb, excellent and dynamic lead on the issue. The coalition of wildlife groups, with a total membership of some 6 million people—a heavy voting body there—welcomed the positive spirit of co-operation that he has shown and gave him an excellent reception at a public rally here at the House of Commons. Now is the time to build on the support and good will for the Government's work so far, but we need to maintain that momentum by introducing the necessary legislation to protect our wildlife.

Along with many other right hon. and hon. Members, I would be delighted if new legislation provided greater access for people to enjoy the countryside. This is how our Labour Government should celebrate the 50th anniversary of Clem Attlee's last Bill; it is how we should welcome the next century and it would delight the many millions of people who would welcome such protection.

10.21 am

Joan Ruddock (Lewisham, Deptford): I congratulate my hon. Friend the Member for South Swindon (Ms Drown) on her initiative in introducing today's excellent debate. I very much support the call from my hon. Friend and others for new countryside and wildlife law. I do so as a committed environmentalist and as a Londoner.

Despite the common perception here and elsewhere, London's wildlife encompasses rather more than the pigeons in Trafalgar square. Londoners have always very much supported and valued the city's elegant parks and municipal flowerbeds. There is increasing recognition of the precious diversity of our wildlife. We have urban habitats, railway corridors, private gardens and wasteland, all of which support valued wildlife.

The London Wildlife Trust has a membership of 7,000 and I am proud to be one of them. We are engaged in a great fight to try to preserve our precious wildlife against the on-going and unrelenting pressures of development. It is not that the development is unwelcome—indeed, in my run-down and deprived constituency rehabilitation and regeneration are critical to our economic life and employment opportunities. Although I support building homes on brown-field sites and protecting the green belt, the pressure on those sites means that Londoners may be deprived of their wildlife and that is clearly not acceptable.

Our quality of life in London depends on getting the balance right between appropriate development and respect for ecology and the recognition that biodiversity matters. A surprisingly wide range of animals and plants are found in London. Many of them are thriving, but others are only just surviving. We cannot take that natural wealth for granted. In London, as elsewhere, there has been a haemorrhage of wildlife sites over the past 30 years. Unless we have stronger wildlife laws, the process will continue inexorably.

My constituency is no exception. Although its border is just five miles from here and it is a dense urban area, just 200 years ago it was an area of market gardens.

A nationally rare species of plant known as the Deptford Pink dates from that time. Another rare species is found in Deptford creek. The black redstart, which is rarer than the golden eagle, first bred in London in the 1920s. Seven per cent. of the national population and 40 per cent. of the London population of black redstarts are found in Deptford creek. However, Deptford creek is now a silted up part of the river. It is bordered on all sides by dereliction and it is prime land for redevelopment. The creekside project in my constituency, led by Jill Goddard, has undertaken a mapping exercise to ensure that we understand what wildlife is there so that the development that we welcome will preserve wildlife habitats. Amazingly, the Environment Agency has constructed new flood defences from old wood and in a way that protects the wildlife habitats.

Given all that, why do we need new laws? The black redstart is listed in schedule 1 to the Wildlife and Countryside Act 1981. Its nests are protected; its eggs are protected; breeding adults are protected and so are the young birds. However, for the rest of the year it is possible to destroy its habitat and, as we all know, if the habitat is destroyed, the species cannot breed.

There are many similar cases in other parts of London. Water voles are under threat in many areas such as the Erith, Crayford and Rainham marshes that were mentioned by the hon. Member for Carshalton and Wallington (Mr. Brake).

Many other sites are being targeted for development, including those occupied by skylarks, stag beetles and other wildlife. I have not time to mention them all, but they are extremely numerous and precious. They are important not only to Londoners, but regionally and nationally. Without new laws, the quality of life in our great city will be undermined and so will our biodiversity. I very much support today's debate.

10.26 am

Caroline Flint (Don Valley): I congratulate my hon. Friend the Member for South Swindon (Ms Drown) on securing today's debate. I should like to concentrate on peat lands and the Thorne and Hatfield moors that are in my constituency and the constituencies of my hon. Friends the Members for Doncaster, North (Mr. Hughes) and for Brigg and Goole (Mr. Cawsey). They form one of the United Kingdom's rarest and most vulnerable habitats and are all that is left of a vast wetland that once existed around the Humber estuary 4000 years ago. Over time, layer upon layer of mosses accumulated and became compacted in the waterlogged conditions. Plants and insects colonised the surfaces and rare or even extinct bog plant, dragonflies, butterflies and beetles were commonplace many years ago.

Today, 94 per cent. of the United Kingdom's peat bogs have been lost and fewer than 6,000 hectares remain in near natural condition. Thorne and Hatfield moors are part of this and today they represent England's largest raised peat bog site. They support more than 3,000 insects, 800 flowering plants and hundreds of liver-worts, lichens and fungi. They are vital for breeding, migrating and wintering birds including golden plovers, hen harriers and nightjars. People have worked on the moors for 500 years and the incredible archaeological record contained within the peat was, until relatively recently, undisturbed.

Such a site should be managed for its incredible wealth of bog vegetation and associated wildlife, yet, instead, I am sad to say, it is being threatened by commercial peat extraction. Instead of being treasured, protected and nurtured, it is being plundered for its peat.

Peat extraction threatens many important sites in the United Kingdom. Of the 14 extraction sites in England, nine have SSSI status. Thorne and Hatfield, along with Wedholme Flow—all three proposed EU Natura 2000 designations—account for more than 50 per cent. of UK production. The fact that extraction of peat is permitted on SSSIs highlights the major weaknesses in protecting those sites.

The problem dates back to 1951 when planning permission was granted for peat extraction. Then, as for hundreds of years previously, hand-digging was the norm, but industrialisation of the process has ravaged the land. In the 1960s, the process was mechanised and now, since milling methods were introduced in the 1980s—with little complaint from the Opposition—extraction involves the almost complete removal of surface vegetation along with the top layer of peat. That has occurred on large tracts of Thorne and Hatfield and the huge areas of stripped, bare earth, where once were beautiful moors, are a very sad sight indeed.

The vast majority of peat that has taken many, many years to be created, has been lost in only the past decade. That has heightened the sense of the urgent need for Government action. Each day that extraction continues and the land is stripped and drained, with the removal of tons of peat, nature's foothold on the Thorne and Hatfield moors weakens.

Locally, there is immense concern that such an important site is being lost. I get more letters from constituents on that issue than on any other. When English Nature proposed removing the SSSI status there was an amazing campaign, which we won. I was pleased to attend a meeting in Thorne where more than 400 local residents came along to make their feelings known. I know that my hon. Friends the Members for Doncaster, North and for Brigg and Goole have had the same experience.

Environmental matters are often said to be the concern of the middle classes—eco-warriors shut away in their leafy suburbs—but the letters that I get are from people in the former coal mining villages that surround the moors, who are witnessing the disappearance of a national treasure. They understand only too well that the extractors' economic arguments do not add up.

Extraction is not and never was a long-term employment option; it will result only in the permanent destruction of the moors. We believe that there is an alternative: a sustainable tourist industry on the site, protecting it while providing enjoyment and long-term economic stability for the local population.

There is such concern that my right hon. Friend the Minister for the Regions, Regeneration and Planning has established a peat working group that includes representatives of the industry and of the environmental lobby. Labour Members are keen that, wherever possible, business interests should be married with the public interest, but my worry is that, on this issue, there is no common ground that can be established between the extractors, who see money in peat, and the public, who want the moors to be preserved.

[Caroline Flint]

I am not surprised that the peat working group has so far failed to produce any report, but I am very concerned and I call on the Government to bite the bullet and take the long-term environmental view that is so clearly in the national interest. Many solutions are available. In the long term, my constituents want a complete end to peat extraction. That could be phased to avoid any major impact on jobs. We can work with the industry to develop alternatives to peat. I am sure that many hon. Members are keen gardeners and viewers of "Ground Force". We want a "Ground Force" team of our own in the Department of the Environment, Transport and the Regions. I leave it to Ministers to decide who should be Alan, Tommy and Charlie, but if the Government can find a solution that will preserve the moors for all time, they will receive great credit.

The longer we spend without a clear policy, the more events will take their own course, and the moors will simply be worked to death; with them will go much of the precious wildlife that they support.

10.32 am

Mr. David Chaytor (Bury, North): My hon. Friend the Member for South Swindon (Ms Drown) has done the House a service in securing this debate.

I want to express my support for the work done by my hon. Friend the Member for Pendle (Mr. Prentice), who has waged an unrelenting campaign to secure the right to roam. I agree that it is essential to ensure that access to open countryside is built into comprehensive wildlife and countryside legislation.

Such legislation also provides the opportunity to settle once and for all the contentious issue of fox hunting. No other issue has aroused such interest, especially in young voters. Our manifesto made it clear that our position was not to legislate against fox hunting but to provide the opportunity for a free vote, although there is huge public support for a ban.

I endorse the work of the Government and the previous Government in developing biodiversity policies. It is important to understand that wildlife protection is not only about furry creatures but goes far deeper: it is about environmental survival. The variety of species that survive is an indicator of the health of the planet on which we all depend. This is not an add-on extra: it goes to the heart of our survival on this planet.

I commend the previous Government's biodiversity action plan, and especially the recently published volume 4, on invertebrates. For those with any interest in creepy crawlies, it is a treasure house of fascinating information. I look forward to volume 5.

Whatever legislation we pass, the protection will be limited if we do not tackle the root causes of environmental degradation. In most cases, those are the deregulated economic processes, both industrial and agricultural, that have disfigured our society and environment for so many years. We must set this debate in the wider context of the reform of the common agricultural policy and the implementation of the Kyoto directive on climate change.

Whatever an individual Government may do, this is a matter on which the limitations of the nation state are most evident. We must work internationally. The European Union has an important role and it is crucial that we play a full part in the various international treaties and protocols that have been and will continue to be established to secure biodiversity.

The Government and the previous Government have an enviable record in not only signing international treaties but ratifying them quickly. I urge the Government to continue that process, especially with the Kyoto protocol and the Århus protocol on access to environmental information. There are two important protocols that we have signed, but not yet ratified: the heavy metals protocol and the one on persistent organic pollutants. Those protocols are crucial to biodiversity and I urge the Government to ratify them swiftly.

10.37 am

Mr. Lindsay Hoyle (Chorley): I welcome this debate. My hon. Friend the Member for South Swindon (Ms Drown) has given everyone an opportunity to express their views and feelings, which is very important. There is nothing more important to people in this country than looking after wildlife, habitats and countryside. There is more pressure as more people want to enjoy the countryside, and we must make it more accessible.

All our mailbags are filled with letters from people who want an end to fox hunting. Sooner or later, it must be tackled. The majority of the House and of the country support a ban. It is time to legislate. Let me describe what happens in conservation areas that are supposed to protect wildlife. In Rivington, a beautiful part of my constituency—I am lucky to have a mainly rural constituency where we can enjoy the pleasure of the countryside—the hunt comes along, and the fox hunters, having had no luck that day, dig out a fox. They do not kill it instantly. Oh, no. We cannot have fun without cruelty. They release the fox and chase it and chase it before killing it. Is that how we should treat our wildlife? I say not. The time has to come to end such cruelty.

In the southern lakeland, gamekeepers use traps on badgers. In their view, killing them instantly is obviously wrong. They believe in cruel traps and it takes a long time for the badgers to die. We have found half-skeletons of badgers. What a terrible end for such a beautiful animal. Badgers are protected, but such practices continue.

Protected species of birds have their nests robbed and their chicks stolen. There is no true protection. Fines are not enough: if it takes mandatory prison sentences to protect the birds, let us do that. Hen harriers—beautiful birds—are shot by gamekeepers because they do not fit in with what they think a grouse moor should be. The countryside is not about that; it is about balance. We must ensure that species are protected for everyone to see and enjoy, because they are not for the few to destroy. It is time for us to change our views about wildlife, habitats and countryside. If we work together, we can ensure our future.

10.40 am

Mr. Damian Green (Ashford): I add my congratulations to the hon. Member for South Swindon (Ms Drown) on securing the debate. She will be either cheered up or worried when I say that I agree with about 90 per cent. of what she said. The Minister and I are getting used to each other: this is the second Wednesday

morning in a row that we have discussed countryside protection. If we go around the same course again next Wednesday, I hope that he will still be with us in his post.

It is clear that we broadly agree on many of the aims of wildlife and habitat protection, although I am slightly worried by the means that many Labour Members have discussed. There is an inclination to reach for the stick rather than the carrot, and I hope that the Minister will not go too far down that route.

I shall deal with the various details in a moment, but the question at the heart of the debate is not whether there should legislation, but why there has been none so far. Like the hon. Member for Pendle (Mr. Prentice), I listened to the "Today" programme this morning with great interest. However, when the hon. Gentleman said that the Royal Society for the Protection of Birds, with its 3 million members, had written off the Prime Minister as uninterested in the environment, he added a plea that the Minister for the Environment should retain his job. If I were that Minister, I am not sure that I would consider that the most helpful intervention in the debate this morning.

The "Today" programme item was instructive for several reasons. I was delighted to hear the hon. Member for Peterborough (Mrs. Brinton) repeat what she said on the programme—that the reason for introducing wildlife legislation was that the Labour party was worried about losing rural seats. That is a terrible reason for wanting to protect the environment, and anyway it will not wash, because of other factors that I shall describe later. However, I am happy to assure the hon. Lady that, even if she is right about the reason for introducing legislation to protect wildlife and endangered habitats, Conservative Members would still support it, because we consider the underlying issue so important.

The contribution to the programme this morning by the Minister for the Environment was equally instructive, although I am not sure that I am as optimistic about what the right hon. Gentleman said as the hon. Member for Pendle. To me, taking to the air waves to fight for a place in the legislative programme is a sign of desperation, not of confidence. I hope that I am wrong, that the matter is all stitched up and that the Minister was simply making a lap of honour in public. However, I suspect that I am not wrong.

The Minister for the Environment also said that the Prime Minister, and the whole Government, were very much in favour of the legislation. Perhaps that is so, but we are coming up to what may be the final full legislative session before an election in which the Government can guarantee taking a Bill through the House, and we are still unsure about whether such a Bill will be introduced, despite the manifesto commitment to do so. St. Augustine famously said:

"Oh Lord, make me chaste, but not yet."

The updated, modernised, new Labour version would be:

"Oh Lord, make me green—but only with the agreement of colleagues across Whitehall."

That will not do. If the Minister cannot give a positive commitment to early legislation, fears will arise that delay is turning into inaction, and that another broken promise is on the way.

What specific measures should any new legislation contain? The first point to be made is that it would be much more sensible if the Bill were confined to updating the Wildlife and Countryside Act 1981. We would support a Bill with that general aim. Various hon. Members have spoken this morning about how a Bill should be extended to include much more controversial matters such as access and the right to roam, and some have even proposed that it be used to bring back anti-hunting measures. Anyone observing the debate will have noticed that the latter possibility, more than any other, set the juices flowing among Labour Members. It was instructive to see so strong a desire to oppress minority interests.

We all agree that there is an urgent need to promote wildlife and habitat protection, and Conservative Members would support and seek to improve any legislation to that end. However, including in a Bill other, much more controversial measures would impede its passage through the House, and might even prevent it altogether. That would be a tragedy for our wildlife and countryside. I hope that the Minister will resist the siren calls from Labour Back-Bench Members.

Any legislation would cover those areas already designated as sites of special scientific interest, but it could go further. The RSPB has proposed some helpful principles for the contents of a wildlife Bill, and I hope that the Minister will consider them seriously. The RSPB proposes that such a Bill should include a statutory purpose for individual SSSIs and the whole SSSI network. It should also contain provisions to give a legal underpinning to the bio-diversity action plan, to improve the powers of the statutory nature conservation agencies, and to impose a duty on all public bodies to protect and manage SSSIs.

However, we need a comprehensive strategy for all green land, whether it be part of an SSSI or not. Friends of the Earth rightly wants greater protection for species that are outside SSSIs, and a related problem involves land adjoining an existing site. If that land is developed unsympathetically, the knock-on effects can be very damaging to the neighbouring SSSI. We hope that any legislation to be introduced will be wider and more comprehensive. It should include incentives for better management and adopt a partnership approach.

I said that I was worried that Labour Members shared a tendency to reach for the stick rather than the carrot. In the long term, without the partnership approach advocated by responsible bodies such as the Country Landowners Association and the British Association for Shooting and Conservation, the effects on the countryside will be less beneficial. We need to engender support for the measures in a new Bill among people who live and work in the countryside. A permanent state of war between visiting regulators and people who live in an area every day would not be helpful.

I am sure that the hon. Member for South Swindon would agree that merely establishing a strict police force is not enough and will not work. Strict policing is necessary, but there must be a mixture of regulation and incentives.

In addition, there must be radical reform of the common agricultural policy. I was astonished to hear the hon. Member for Bury, North (Mr. Chaytor) say that one of the problems was that farming was too deregulated. Has he ever met a farmer? He said that industrial and agricultural deregulation was bad for the countryside. The problem with the CAP is not that it is deregulatory, but that it pours billions of pounds into encouraging farmers

[Mr. Damian Green]

to produce intensively in ways that may damage the environment. It pours only a few million pounds into encouraging them to farm less intensively.

Mr. Chaytor: That is not what I said. In fact, I agree with the hon. Gentleman's analysis: the problem with the CAP is that the resources have been wrongly directed, not the degree of regulation associated with it.

Mr. Green: I am glad that the hon. Gentleman has made that clarification.

There is much to be discussed in the detail, but all hon. Members clearly agree that the need for action is urgent. We have heard this morning about the various species that have been made extinct already, or are in danger. The doomsday list of the World Wide Fund for Nature is alarming, as the hon. Member for South Swindon noted. She mentioned some of the species in danger, but the WWF has warned that the high brown fritillary butterfly and the pipistrelle bat may be extinct by 2007, and that even the skylark may have vanished by 2009. Clearly, those would be large-scale ecological disasters.

Therefore, as long as he sticks to what is sensible and gets on with it, the Minister has a chance to lead a wide consensus among all the parties, including even landowners and the many environmental non-governmental organisations. If he does that, Conservative Members will seek to give him a fair wind when the legislation is introduced.

10.50 am

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Alan Meale): I thank the hon. Member for Ashford (Mr. Green) for his kind remarks and congratulate my hon. Friend the Member for South Swindon (Ms Drown) on using her parliamentary time to obtain a debate on such an important issue, especially at this historic time. She is a worthy champion on the issue, as she is on a number of others.

That is not surprising as my hon. Friend's constituency is fortunate to include several nationally important nature conservation sites, including three geological sites of special scientific interest at Great quarry, Okus quarry and Old Town railway cutting, and a further four biological SSSIs at Coate water, Burderop wood, Clouts wood and the Coombes, Hinton Parva. Included within those sites are open water, woodland bird communities and chalk grassland. They all contribute to the overall value of the national SSSI series and to protecting our natural heritage for our children and grandchildren.

The Government share the view of many of the hon. Members who have spoken that the UK's nature conservation heritage should be given effective protection. Indeed, I welcome the opportunity that is provided by the debate to reaffirm the commitments in the Labour party's manifesto to affording better protection to wildlife, and the priority that the Government are giving to implementing those manifesto commitments.

At this point, I should like to answer queries that several hon. Members have raised that may not be answered in my brief. That is important because it is always an easy option just to go on and not to give replies to specific queries in a debate.

My hon. Friend the Member for South Swindon raised incentives for management. I confirm that the Government propose to move from a compensatory scheme of payments to landowners to positive agreements. Even now, in advance of any changes in legislation, a substantial number of payments for support action are under way, rather than cash compensation payments.

The hon. Member for New Forest, West (Mr. Swayne) never misses an opportunity to raise questions on the area that he represents. I repeat my assurances to him that, within the present consultation, there is no thought within Government for any changes that would affect the status of the verderers. I say it every time. To his credit, he always raises a range of issues on the New forest. On that particular one, I reconfirm our position.

The hon. Member for Carshalton and Wallington (Mr. Brake) mentioned widely dispersed bird species, which pose a particular difficulty for boundary definition. We are committed to effective and full implementation of obligations under the birds and habitats directives. My Department is discussing with English Nature the best way in which to protect such wide-ranging species. I will write to him to give further information on the matter, and try to get an answer to the point that he raised on restoration.

The hon. Member also asked me to acknowledge the tide of support for early-day motion 11. There is no doubt that that can and, indeed, should be done from the Government side of the Chamber. We are aware of the support and greatly impressed by it. It is very large—one of the largest gatherings of support on an issue since the last election. The Government are reassured by the level of interest and the swell of opinion on the need for legislation. We are aware of that and keep it in mind in all our considerations.

My hon. Friend the Member for Doncaster raised the question of peat working on SSSIs. *[Interruption.]* Sorry—my hon. Friend the Member for Don Valley (Caroline Flint). We support moves to encourage alternatives to the use of peat. Where sites have Natura 2000 status, there will be obligations to review extant planning permissions. We are considering the options for other sites. All the issues that she raised in respect of that will be considered.

The Government's approach to wildlife conservation must blend a strong statutory framework for the protection of species and their habitats with positive measures through biodiversity action plans and environmental education. In that respect, we have encouraged a participative approach to conservation through partnerships between the public and private sectors and involvement of voluntary conservation organisations and the public. We believe that each element is important in ensuring that we protect and enhance the value of our countryside.

I take first the protection of habitats. We continue to make good progress in implementing Natura 2000, the network of special sites that are recognised at European level. The United Kingdom has now classified 200 sites as special protection areas for their ornithological interest under the birds directive, and submitted 340 sites as candidate special areas of conservation to the European Commission under the habitats directive, giving recognition and enhanced protection to the cream of our nature conservation heritage.

The UK Government are committed to full implementation of the requirements of the habitats directive. Our SAC list has been selected through a rigorous and iterative scientific process, which has applied the directive's criteria consistently throughout the UK. What is more, there has been full consultation on all the proposals, which, in a number of cases, incorporated changes in the light of comments from the voluntary conservation movement and other consultees. I acknowledge criticisms of our list, but those have been based on unscientific comparisons and misunderstandings of the directive's requirements.

Natura 2000 sites—together with sites listed under the Ramsar convention on the conservation of wetlands of international importance—are all sites of special scientific interest, all of which are designated for their national importance and constitute some of our most precious areas for wildlife, hosting rare or endangered species and providing habitats where they can flourish and—I hope—multiply. Although many are well managed and in good condition, and landowners and managers enjoy a constructive relationship with the conservation agencies, the Government agree with hon. Members who have expressed concern about special sites that have been damaged, or whose interest is declining as a result of both human activities and natural processes.

English Nature is already aiming to increase the percentage of sites in England that are being positively managed for conservation and to reduce the proportion that are in an unfavourable condition. The comprehensive proposals that we announced in last year's Department of the Environment, Transport and the Regions consultation paper on SSSIs will also help to deliver real improvements in the immediate future and will substantially strengthen English Nature's hand as steward of the most valuable examples of our natural heritage. Those proposals covered a range of options and looked at ways in which enhanced protection could be delivered quickly without new legislation, as well as the case for legislative change.

The Government believe that it is important to foster the constructive relationship that has already been established with the owners of SSSIs, many of whom are sympathetic to conservation aims and work actively alongside statutory agencies to conserve the interest of their land. On SSSIs, the consultation paper emphasised the need for a variety of partnerships with owners and occupiers, with local communities and voluntary conservation organisations and with Government Departments, some of which are major landholders and custodians of our wildlife heritage. We accept the responsibility that that places on us. We will help and encourage others who similarly accept their responsibilities for the nation's wildlife.

The paper acknowledged—

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. We now come to the next debate.

Police Funding

11 am

Mrs. Jacqui Lait (Beckenham): May I say, Mr. Deputy Speaker, how grateful I am to have secured this debate. I thank the Minister of State for visiting the National Missing Persons Helpline, of which I am a trustee. Those who work for the helpline very much enjoyed the visit and hope that something constructive will come out of it.

Since my election to Beckenham, the subject of police numbers and the link with police funding has come up constantly. I am sure that many of my hon. Friends and Labour Members also get a lot of complaints from people who say that they do not see enough police on the beat. Often, constituents do not link that subject with reduced crime figures or the sophisticated arguments about how intelligence-led policing is changing the nature of policing.

In Bromley, of which Beckenham is a part, we have an active police consultative committee and sector working parties, which constantly discuss police numbers and funding. In the annual report for last year, which was published in June, the committee chairman states:

"During the last three years, I cannot recall a year when there has not been underfunding to cover the cost of maintaining the existing strength of the police with inevitable cuts in the service in one way or another. This year the increase in the annual budget for the Metropolitan Police is to be 1.7 per cent. which is below the national average increase of 2.7 per cent. It again falls short of what is needed to cover the increase in police pay and pensions and the rise in inflation. In past years there has been a steady reduction in the number of uniformed officers in the Bromley area to cope with inadequate funding."

His comments are backed up by Bromley division's own figures. Its manpower target strengths, to use the jargon, have gone from 497 police in the borough and the division—the two are co-terminus—in November 1994 to 440 this year. Civilianisation has not replaced the uniformed copper. In November 1994, there were 121 civilian staff. This year, the figure is down to 113, so the numbers of both groups have dropped.

Penge, which is in my constituency, has been identified by Bromley police in a much-admired document on crime and disorder, as a high-risk area. Last April, the inspector in charge told the Penge sector working party:

"we have 9 Community Action Team Officers for community policing between Crystal Palace and Coney Hall"—

another area of my constituency—

"with several having 2/3 council wards to patrol on foot."

As hon. Members know, in particular those who represent cities, that is a large area to cover. The inspector continued:

"There are 3 high street patrols, in Penge, Beckenham and West Wickham."

Some people may think that leafy Bromley borough and Beckenham should reduce their police numbers to help in other parts of the Greater London area where crime levels are higher. However, the authentic voice of the Beckenham resident wrote to the Home Secretary and to me at the end of 1998. He pointed out that

"there has been growing disquiet among members of the public concerning the near-absence of uniformed officers patrolling the streets on a routine basis. . . During the past two or three years there appears to have been a reduction in real terms".

[Mrs. Jacqui Lait]

He is absolutely right. Figures provided by the Metropolitan police show that, since 1995, that force has reduced from 27,945 to 26,563 this year. Indeed, when I was on the Metropolitan police parliamentary scheme along with two Labour Members, one of whom is here today, the story everywhere was the same and I am sure that the hon. Member for Poplar and Canning Town (Mr. Fitzpatrick) will agree. The police are concerned about cuts in manpower, old equipment and buildings that need refurbishment.

The pattern is repeated nationally. It is happening not merely in Bromley or in the Met, but throughout the country. Just last week, on 30 June, a Home Office press release stated:

"Numbers of police officers have fallen by 793 to 123,922 in the year ending March 1999—a reduction of less than 1 per cent."

The first sentence of that press release shows the Home Office's sensitivity about linking police funding with police numbers. That sentence reads:

"The number of police officers has fallen despite increased police spending".

I can understand and appreciate why the Home Office is going to such lengths to decouple funding and police numbers. Linked with that issue is the reduction in crime. We all congratulate the police on reducing crime, but most of us would agree that other issues have contributed to that reduction. When employment is high, there tends to be a reduction in crime.

The Audit Commission has backed up the Home Office and I can understand where it is coming from. It says that some forces have higher clear-up rates and lower numbers of police relatively and/or smaller budgets—

Ms Hazel Blears (Salford): The Audit Commission supports the view that there is no direct correlation between numbers of officers and amounts of crime. On the last occasion on which we debated the matter in the House, 18 March, the right hon. Member for Sutton Coldfield (Sir N. Fowler) said, unusually:

"However, I rather agree with the Home Secretary on that point. I do not think that there is a direct correlation between police numbers and crime."—[*Official Report*, 18 March 1999; Vol. 327, c. 1277.]

Does the hon. Lady agree with her right hon. Friend?

Mrs. Lait: If the hon. Lady listens to the rest of my speech, she will understand my argument. It is difficult to disagree with the Audit Commission's figures, which show that smaller forces may have smaller budgets and higher clear-up rates. Indeed, the Audit Commission has compared like with like: it has compared one rural force with another and found differences in clear-up rates; it has also compared one inner-city area with another and found differences. Statistically, I do not disagree, but the problem is that the British public and police forces themselves do not make that link. I suspect that the better clear-up rates reflect both good management and historic spending patterns. As I pointed out, the problem is that the public and the police do not believe it.

As I said, the consultative committee in Bromley regularly links underfunding with lack of police numbers. When we toured various operations under the parliamentary scheme, we were told time after time by the police, from the constable on the beat to the inspector in charge of any police station, that cuts in funding were leading to reduced numbers.

Mr. Ian Bruce (South Dorset): One can always bandy statistics about, but for the first time in many years, there has been a cut in police manpower and in auxiliaries in Dorset and, for the first time in five years, crime has increased. That shows that criminals, at least, think that it is now safer to commit crimes in Dorset because fewer police and fewer resources are coming from this Government.

Mrs. Lait: I would not go so far as to argue that, but it is an interesting point. One is conscious that hardened criminals are as astute and aware of the potential for crime and not getting caught as the general public are aware that, as they believe, there are not enough police on the streets.

The constables will describe the increased pressure that they are under because of what they believe are shortages in numbers on patrol. One of their principal concerns is that, when they are in trouble—they could easily suddenly find themselves in a fracas on a hot day like today, when people's tempers are short—there might not be sufficient back-up to help them out of it. Indeed, that already happens. If the police feel vulnerable and lose confidence, they will not do their job to the best of their ability and constituents will complain.

As I said to the hon. Member for Salford (Ms Blears), I acknowledge the argument—I am sure that she shares it—that modern and effective policing is intelligence-led. It is effective and it works. We have seen how successful Operation Bumblebee has been, for example, in targeting criminals and ensuring that continual troublemakers are taken off the streets or warned that they are being watched. Intelligence-led policing contributes enormously to modern policing, but I return to the fact that the British public do not believe that it is working because they do not see police on the streets.

The Police Federation also does not see police on the streets. Fred Broughton, the chairman, was quoted in *The Guardian* of 18 May. The article said:

"Violent crime has increased because police forces are having to cut the number of officers on the beat.

Mr. Broughton said successes in tackling burglary and car crime had been bought at the cost of a failure to patrol the streets.

'It is clear to every force that the uniformed presence is reducing on a monthly basis. That is while the government and chief police officers are talking about an alternative. All the indications are that it will get worse.'"

Ms Blears: The hon. Lady has made the point that intelligence-led policing works, but that the public do not believe that crime is being tackled unless they see bobbies on the beat. If she accepts the argument that there are better ways in which to spend our resources to tackle crime, is she in favour of spending money on, say, a medicine that does not work simply because the public believe that it does? Is it not her task and our's to lay out the facts and convince the public of what actually works

in tackling crime—contrary to their perception? It is surely down to people such as us to play a role in ensuring that the public believe such things.

Mr. Ian Bruce: They do not in Dorset.

Mrs. Lait: As my hon. Friend says, people in Dorset do not believe it—nor do people in Bromley, the Police Federation or, as I am about to quote, the Association of Chief Police Officers.

John Newing said that the 1999–2000 settlement

"leaves the Police Service well short of what it needs."

Even though the Home Office has said that the 2 per cent. efficiency savings can be reinvested, and even though the police forces can keep the income from property sales, the forces are facing the need to spend much more money on new communications systems.

Anyone who has been into a police station will have seen the variety of computers and how they are not linked to one another. Work is duplicated because the custody officer may enter information into one computer, while upstairs the detectives are putting the same information into another system. That shows the need to spend money on communications. I am not arguing about the need for that; however, the public must also be reassured. If they are not, the whole basis of policing by the consent of the community will disappear.

Mr. Desmond Swayne (New Forest, West): Does my hon. Friend agree that the phenomenal clear-up rate of the Victorian police force was primarily not because their methods were less fastidious, but because they lived in, and were part of, the community that they policed? As we have withdrawn forces into almost fortress-like police stations and police officers into panda cars, we have lost the proximity of the community, which was the source of success.

Mrs. Lait: I can see my hon. Friend's point, although the whole purpose of the Scarman and subsequent reports was to try to develop the role of the community police officer, who builds up the intelligence that was enjoyed by the Victorian police force. We have not lost that form of policing; the problem is that we do not have sufficient police officers to be able to conduct it as effectively as one would wish. That is why I am linking the two subjects—even though the Home Office and the Audit Commission doubt the correlation between police funding and numbers. Such a link needs to be made because we must ensure policing with the consent of the community.

I pointed out the need for new communications systems and the cost of them. There is also the cost of the pensions problem facing all police forces. We must acknowledge what a large proportion of their budgets is going on pensions—about 17 per cent. in the Metropolitan police and 20 per cent. in Greater Manchester. Obviously, if we were starting again, we would not start from here. A pay-as-you-go pension fund and an historic inability to control it has left forces with a huge demand on their slender resources. John Newing said last week that if additional funds are not forthcoming, there will have to be cuts in the numbers of officers in operational roles.

As a great believer in the development of the pensions industry and the provision that we have managed to create, I would say that it is time for the Home Office and police forces to get to grips with the pay-as-you-go pension scheme and reform it. That would be a most effective way of reducing the pressure on budgets. I know that that will not be easy and that it is a very long-term solution, but it should certainly be considered closely.

Despite the demands on budgets for things such as communications systems and pensions, I return time and again to the importance of the Home Office recognising the inextricable link in the minds of the British public between funding and proper staffing. The public cannot believe that there is no such correlation. As I have—I hope—shown, nor can many who work in the police, even when crime is coming under control. The position has clearly worsened recently and the forecasts are deeply pessimistic.

The police force is in a unique position to make its views known and clear to every member of the public. That will only reinforce the public's fears. The police, particularly if they are involved in community policing, are talking day in, day out to our constituents. If they are fearful of their future, they will make the public—our constituents—fearful, too.

The Home Office must ensure that the public are reassured that the thin blue line will hold. At present, the public believe that the line is under significant pressure. I very much hope that the Minister can reassure us that there will be a greater police presence on the streets, so reassuring our constituents.

11.18 am

Mr. David Drew (Stroud): I am pleased to participate in this important debate. I shall restrict most of my remarks to the issue of funding.

The hon. Member for Beckenham (Mrs. Lait) realised that the crux of the apparent contradiction is due mainly to the perception of crime. In the past couple of days, the Women's Institute has referred to the importance of police on the beat in rural areas. However, that is not necessarily the same as catching criminals. We must ensure that we put resources where they really count, and invest in intelligence and the most effective policing, as my hon. Friend the Member for Salford (Ms Blears) made clear. I should be worried if we went away from the debate believing that the contradiction was easy to solve. The Government have got the balance right. I shall explain how that can be enhanced and how it can be made clearer to our constituents that the funding situation is right and reasonable.

I shall restrict most of my remarks to funding, which is at the core of the debate. I have been engaged in correspondence with my hon. Friend the Minister about the needs of Gloucestershire. We shall be having a meeting shortly to discuss those matters in greater detail. It was a little disingenuous of the hon. Member for Beckenham to refer to the pensions problem, because the Conservative Government signally failed to grapple with the issue. They have left us an incredibly difficult legacy. Let us be honest. No police organisation wants to renegotiate the pensions situation, because they could not get a better deal. I may be wrong on some of the details, but I believe that a police constable retiring from the force today after 30 years' service would take about £60,000 in cash, plus half his current salary. With the best will in the world, that cannot be improved by a renegotiation of the pension terms. However, we shall have to deal with that dilemma.

[Mr. David Drew]

I do not want to speak for very long, because I know that others want to contribute to the debate. Many factors, including the pension situation, affect the funding requirements. I am grateful to the Government for addressing Gloucestershire's funding problems in respect of the number of royal households in the country. The problem with the 2 per cent. efficiency savings is that they have to be found from those areas, as well as from the wider budget. That causes us some grief in Gloucestershire. Perhaps that requirement should be reconsidered.

We need to fund policing properly, but we must also ensure that we are policing in the right way. We welcome the progress on the public safety radio communications project—a phrase that does not slip off the tongue easily—but we have to find a means of funding it, which is difficult. In Gloucestershire, there will be an annual leasing cost of £750,000, which is the equivalent of 40 police constables. I hope that the Government will come up with some good news on that. It is a project that we not merely want, but have, to implement. Gloucestershire has been bedevilled by a problem of hills. The communications network has never functioned properly, because people on one side of the Cotswolds cannot communicate with those on the other side. I try to go out with the local police on a Friday night. They have to switch wavelength regularly because that is the only way in which they can communicate with each other. That is a bit ramshackle at the end of the 20th century, when we are looking for the most effective way to deal with law and order issues.

We welcome the drug strategy, initiatives on youth offending and the Crime and Disorder Act 1998, but we must find ways to fund those ideas. Our old friend information technology will have a part to play and a lot of money is being put in that direction. We all agree that such spending should not be at the expense of front-line policing. People have a perception of crime and want to see their bobby on the beat, but they also want the most effective means of catching criminals and following up the more deviant members of society. We have to find ways of doing that.

We can argue about the statistics and what they mean, but we were disappointed with the 1.4 per cent. increase in funding in Gloucestershire, which was below the national increase of 2.3 per cent. We responded by putting up our budget and raising our precept. I could argue that Gloucestershire's precept was too low, but we had the fourth-highest increase of all police authorities, and there is a limit to the number of times that we can do that. We may now be more in line with the family of authorities that we all lovingly compare everything to in these days of benchmarking and the rest of it. I hope that the Home Office and the Treasury will look favourably in future at how we can make good our funding needs.

We are looking to the future. I thank my hon. Friend the Minister for our success in achieving funding for the tri-service control room project, which brings the police into line with the ambulance and fire services to make best use of our control rooms. There are ways of taking that initiative further forward. It is an efficient way of using our funding. That may be special pleading, but I hope that the Home Office will have more to say today or in the future about making more effective use of such funds.

We do not pretend that funding is not an issue. I am one of three Gloucestershire Members here today, together with my hon. Friend the Member for Gloucester (Ms Kingham) beside me and the hon. Member for Tewkesbury (Mr. Robertson). We have regular meetings with police authority representatives, who tell us their problems. Funding is always at the top of their agenda, so there is no point in pretending that it is not. However, the situation did not start with the election of a Labour Government in May 1997. It is an historic problem. In the debate on 18 March—which my hon. Friend the Member for Salford mentioned—I talked about having separate police authorities, some of which, including mine, are small. That has its benefits, but it also has its downsides, because there are no economies of scale and we were bound to have difficulties with the separation of administrative costs and overheads resulting from splitting police authorities from county councils.

Within reason, we are doing what we can. We need more funds. We need help from the Home Office and the Treasury to get the special projects up and running and to make them as effective as possible. That is as true in rural Britain as in urban Britain, as the recent report of the Women's Institute says. A report by the Back-Bench group of Labour Members published a couple of weeks ago contains an interesting article by Simon Anderson of System 3 about people's perceptions of crime in rural areas and how the globalisation of crime has a special impact on more isolated communities, because they want to see the police presence, but they also want to know that the policing is as effective as possible. That is the essence of the problems with getting the funding formula right. There is a need for more help in rural areas, because the funding formula is not as effective as it could be.

Ms Tess Kingham (Gloucester): We have heard a lot about the perceptions of the public and the desire for more police on the beat. However, we should also recognise that the Government have done a great deal in looking at other ways of preventing crime and taking the stress off police forces by ensuring that there are always police on the beat to deal with the after-effects of crime and clear-up rates. We have had the Crime and Disorder Act 1998 and there is a duty on local authorities to have local crime prevention partnerships. We had a big launch of that in Gloucester, which included all the stakeholders. The initiative was greatly welcomed by every section of the community involved. The police said that they felt that it would have a great impact on the public perception of crime and on preventing crime, which would take the stress off the police.

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. The hon. Lady must sit down when I get to my feet. That is the first thing that she must learn. The second is that she should not make a speech during an intervention.

Mr. Drew: I acknowledge the work done by my hon. Friend the Member for Gloucester (Ms Kingham) in her constituency, both now as a Member of Parliament and before coming here. She has much to offer, and she made a valid point.

We will not hide from the funding issue. We welcome many of the initiatives and we recognise that there must be a balance between urban and rural areas. All the figures show that the majority of crimes are committed in urban

areas. The incidence of reported crime is four times greater in urban areas than in rural areas, but we have seen a relative increase in rural crime. That is due partly to globalisation, because people can move about more quickly. People in rural areas feel very vulnerable.

I hope that all that is recognised in the formula. I am sure that my hon. Friend the Minister will have some good things to say about how all that can be rectified and about the most appropriate use of the overall funding package.

11.31 am

Mr. Laurence Robertson (Tewkesbury): I congratulate my hon. Friend the Member for Beckenham (Mrs. Lait) on securing this debate and on the detailed way in which she gave examples of where police funding is inadequate. It is a pleasure to follow the hon. Member for Stroud (Mr. Drew), who made the case for extra funding for Gloucestershire. I want to mention that. The fact that there are three Members of Parliament from Gloucestershire in the Chamber suggests that things are not well with police funding in that county.

The general funding of public services leaves something to be desired. The Labour party spent 18 years telling the public how the Conservatives had underfunded public services, but, now that we have a Labour Government, we still have similar problems. It is not only the police who are suffering in Gloucestershire. Despite the high-profile figures about health service spending, the health service in Gloucestershire is having to make £5.5 million worth of cuts because of inadequate funding. Tewkesbury borough council has had its grant reduced, causing it to increase the council tax. It has been named and shamed by the Government for reacting to a problem that the Government brought about. The same is true of police funding.

The national pay award, over which each force has no control, was 3.5 per cent. for 1999–2000. Price inflation was 2.2 per cent. Yet Gloucestershire constabulary has been given an increase of only 1.4 per cent. Again, as with the health service, the Government have made a high-profile pay award, with which very few people would disagree, but they have not funded it. That causes a big problem.

Why has Gloucestershire been given such a derisory award? Is it because the Government are diverting money from the shire counties to areas in which their more natural supporters might live? Every shire county apart from two has suffered real-term cuts. The Minister might find that amusing, but it is not amusing to those who live in shire counties. As the hon. Member for Stroud said, Gloucestershire has suffered the fourth largest real-terms cut to its operational budget. I am aware of the problems in the Labour areas to which the Government seem keen to divert money, because I was not born in Tewkesbury, but I am also aware of the problems in rural areas.

Mr. Ian Bruce: My hon. Friend is being over-generous to the Government. In Dorset, we also saw a real-terms cut in the operational budget. Was there not also in Gloucestershire, as there was in Dorset, a massive stealth tax because the Government ensured that local tax payers were paying for all the additional money that came forward? Not a penny extra came from the Home Office or the Government.

Mr. Robertson: I would be called to order if I went too far down that route, but my hon. Friend is absolutely right.

There are difficulties with crime in rural areas. For example, all Gloucestershire Members have received a note from the chief constable about drugs and drug-related crime. That is becoming as much of a problem in rural areas as in urban areas. The sparsity of policing in rural areas encourages that crime.

Mr. Richard Allan (Sheffield, Hallam): I do not wish to spoil the hon. Gentleman's argument, but if he believes that money is going to traditional Labour areas, which mine used to be, he is wrong. We are not seeing that and dancing in the streets in my area. The police are reporting just as many problems in areas such as South Yorkshire as they are in rural counties.

Mr. Robertson: Perhaps I have underestimated the funding problem.

The 2 per cent. efficiency saving is being taken into account when grants to constabularies are being calculated. As the hon. Member for Stroud said, the 2 per cent. target includes police pensions and security elements, over which chief constables have no control. A 2 per cent. saving nationally may be achievable, but it is difficult for each force to achieve it locally. For example, the police force in Gloucestershire has to provide security for the royal family. We are delighted that they live there and the force receives a grant to cover the cost, but, given that minimum standards of security must be provided, that should not be taken into account when calculating the 2 per cent. efficiency saving.

Gloucestershire has already made many efficiency savings. It has one of the lowest figures in the country for officers retiring through ill health, sickness levels are below average and it has the smallest number of superintendents. Given all that, why has Gloucestershire received a real-terms cut? Where is the money to come from? As we have already heard, Gloucestershire police have had to increase the precept by 19 per cent. That makes it look as if it is a local problem, when it is not. Also, the chief constable has told all the Gloucestershire Members of Parliament that cuts are having to be made in operational areas. Is that what the Government intended? I do not remember their claiming at the election that there would be cuts in the operational services provided by the police. The Minister must look at what is happening on the ground and not just at statistics which may appear to be okay on the surface, but do not reveal all that happens in the policing of counties.

11.36 am

Ms Hazel Blears (Salford): I am delighted to have a further opportunity to speak on policing, police funding, police numbers and the Government's drive to tackle crime. It is the top issue for the people in my inner-city constituency. I believe firmly that unless we tackle the problem of crime and disorder, all the other social exclusion initiatives on which we are engaged will not be as successful as we would like. If people do not feel safe and secure in their communities, all our other measures to provide jobs and opportunities will not yield the results that we want.

We need some facts in this debate. Over the next three years, the Government will be spending an extra £1.25 billion, which has been gained from the comprehensive spending review. In addition, there is an

[Ms Hazel Blears]

extra £400 million for crime reduction projects, extra funds for CCTV partnerships between the police, local government and business to try to tackle crime, a major anti-burglary initiative and anti-car crime projects. We have set rigorous targets because we want to see the outcomes.

It is all very well to talk about perceptions, feelings and ideas, but what really matters to the people whom I represent is whether we are preventing, reducing and detecting crime and locking up those who commit crime. We aim to cut vehicle crime by 30 per cent. by the year 2002. That is a tough target, but the Government do not shy away from tough targets because they know how important those issues are for local people. There is no point spending money without tying it to targets. I know that the Conservatives have recently become a tax-and-spend party, but I do not see any point in spending money without the right outcome.

We must not forget the Tory record. I know that it is uncomfortable to be reminded of it, but, under the Tory Government, recorded crime went up from 2.5 million cases in 1979 to 4.5 million cases in 1997. Constituents such as mine bore the brunt of those crimes. A total of 40 per cent. of crime in this country happens in 10 per cent. of areas, and 4 per cent. of people are the victims of 42 per cent. of crime. Those are staggering and scandalous statistics and we must tackle them.

Under the previous Administration, the figures were up for violent crime, burglaries and assault. Crime and disorder was out of control, with young men running wild on estates, making people's lives a misery. The Government's plan to tackle all that is one of the top issues for the whole community.

We are beginning to tackle those problems. The hon. Member for Beckenham (Mrs. Lait) accepts that intelligence-based policing is the way to tackle crime, detect crime and ensure that convictions are secured, but I ask Conservative Members to use their brains and recognise that, in addition to intelligence, we have to use a little creativity and imagination. The Conservatives appear to be on a tramline of thinking that the only one way to tackle crime is to increase the number of bodies, but I want to increase the number of brains in our crime and disorder system as well.

Let me give some examples of new projects that are being carried out in my city to try to get maximum added value from our investment. Crime reduction partnerships bring together local government, the police, the business sector, the chamber of commerce, voluntary organisations and the local community in an effort to identify the problems of crime and how best to work together to tackle them. Are the police always right for a certain job, or could it be done better by, say, the housing authority? Is it better to bring in the youth service to intervene early in youth crime, rather than always look to the police to provide solutions? Without that partnership, we shall be unable to sustain the regeneration that we all want.

We have also drawn in resources from other areas, through projects such as Operation Victory, which has taken place in Greater Manchester in the past few months. It is the biggest police operation that Greater Manchester has ever known: in Salford, Trafford and Manchester on one day, more than 65 people involved in burglary, handling, theft and the laundering of drug money were arrested. It was a massive operation and, not only did it succeed in taking those people off the streets and locking them up—which was a great relief to my constituents—but it sent a message to the community that they could have confidence that the police were able to tackle those problems and that we are not sitting back and allowing ourselves to be overwhelmed by a wave of crime.

We are going out there, tackling crime and using our intelligence. The information used in Operation Victory was gathered over a period of 12 months—the operation was not here today, gone tomorrow. In often difficult and dangerous circumstances, officers gathered evidence and information to use in prosecutions.

Mrs. Lait: Will the hon. Lady tell me what is the difference between Operation Victory and Operation Bumblebee, which was instituted in the mid-1990s and which achieved exactly the same ends? Is not Manchester's action a little late?

Ms Blears: Not at all. Operation Victory was incredibly successful and, although similar programmes have happened before, it was the largest programme yet, being carried out on such a scale that the impact on the community was enormous. It was an excellent project.

Mr. Ian Bruce: The hon. Lady is extremely enthusiastic and we love to hear such enthusiasm. However, my son is a police officer in the north of England and I have to tell her that her speech seems to reflect more closely the views of the Treasury than those of police officers on the beat, who know about their lack of resources and overtime and their resulting inability to get out there and do all that the hon. Lady wants them to do. Will the hon. Lady go back and listen to police officers in her constituency rather than to the Treasury?

Ms Blears: I assure the hon. Gentleman that I listen to police officers in my constituency. Three weeks ago, as the local Member of Parliament, I personally called a crime and disorder forum in my constituency, because I believe that we have a role to play in crime and disorder partnerships. I called together the police, the voluntary sector, business, social services and the youth service to meet me and talk about the new Crime and Disorder Act 1998. I asked them to tell me whether the Act is working and what the difficulties with it are. I asked how best we could institute the anti-social behaviour orders and what sort of protocols were needed to get the evidence to enforce the orders.

I am in daily contact with local police officers. They have inner-city beats, which is hard and challenging work—yes, it is tough out there. However, we have just introduced sector policing, whereby officers are responsible for their own neighbourhood and so are in close, daily touch with their communities. They monitor crime, know where the criminals are, and are able to direct resources into tackling crime in their own neighbourhood. I completely support local police officers, who have a demanding, difficult and challenging job.

We are trying to ensure not only that police officers have the resources that they need, but that they use them in such a way that they get results. If we do not, we are just sending them out on the streets, they do not get results

and they see the same criminals day after day, making the same people's lives a misery. The Labour Government's policies are about using intelligence and creativity to give police officers the tools to do the job.

The other example of local action in my city is a massive truancy project. I feel passionately that instead of spending our money on mopping up the results of failure, we should prevent that failure from occurring in the first place. In 1997, 40 per cent. of burglaries, 25 per cent. of robberies, 20 per cent. of thefts and 20 per cent. of criminal damage were committed by children aged 10 to 16. Those children should be in school. We have set a tough and challenging target—that, by 2001, exclusions from school will have been cut by one third—and backed it up with £500 million of extra resources.

We have to consider more than police funding. Look at all the extra resources that are being put into education through education action zones and truancy projects; that will help to prevent crime. Look at the money for the new deal, which gives young people the opportunity to work rather than become involved in crime. The Opposition have a one-track mind and do not see all the different parts of the jigsaw that is being assembled by the Labour Government. Four hundred thousand more people are now in work than were in work under the Tories. The hon. Member for Beckenham recognises the link between unemployment and crime: having more people in work means less crime on the streets.

The Government have set tough targets for efficiency savings, but those savings are being made. The briefing from the Association of Police Authorities—the very people who constantly ask for more funding—states:

"this year alone, cashable efficiency savings have been identified totalling £107 million . . . an additional £75 million of expenditure has been redirected into frontline policing activities."

That is what my constituents want to hear—resources redirected into reducing crime, detecting crime and convicting criminals. If the Government are able to shift the emphasis from simply having bodies on the street to intelligent policing that actually reduces crime, the people whom I represent who are repeat victims of robberies, burglaries, assaults and theft will be mightily relieved.

I acknowledge the points made by the hon. Member for Beckenham about pensions. We have to tackle that issue. Nationally, about 13 per cent. of revenue budgets are eaten up by pensions; in Greater Manchester, that figure is 20 per cent. That cannot be allowed to go on. The Government must tackle the issue of pensions.

I believe that the best way to get added value from the resources that we put in is to work in partnership. It is easy to quote statistics and figures, but, in communities such as mine, we are only now beginning to count the true cost of the policies of the previous Government. Conservative Members do not like to hear it, but crime, unemployment, poverty and the breakdown of family life are the true price of Tory government. That is the Tory record, and my city is counting the cost. If the Labour Government are able to tackle crime and make Salford a safer place for people to live, work and bring up their family, we shall have done a great deal. I believe that the Government are up to the task.

11.48 am

Mr. Richard Allan (Sheffield, Hallam): I congratulate the hon. Member for Beckenham (Mrs. Lait) on securing a debate on police funding, which is one of the Liberal Democrats' main home affairs hobby horses. We need to move the debate on from the well-worked theme of whether there is a direct correlation between funding and police forces' effectiveness. I do not believe that there is such a direct correlation, but to suggest that there is no correlation at all between police funding and police numbers is ludicrous.

It is strange and interesting to hear Labour Members argue that tight public spending settlements lead to efficiency savings and improved services—a view that differs from that which was expressed for many years by their colleagues in local government. In fact, their local government colleagues are still expressing that view, even thought they now have to do it quietly, for fear of embarrassing the Government. We might hear next that the Government decline to abandon local government capping, but merely intend to replace it with a slightly more complex system of capping. Instead of allowing local government to spend what it needs to, perhaps it will be suggested that more efficient social services or education services would be the result of tight and challenging settlements.

I should like to touch on the issue of police numbers, especially the number of special constables, which is of particular concern to the Liberal Democrats. I shall also refer to funding pressures, some of which have already been mentioned and about which the police are extremely concerned. I shall also briefly explore the Government's longer-term strategy, especially in respect of private security. It would be helpful if the Minister could clarify comments heard in recent months about the role of private security which appear to be a response to a Government squeeze on funding. It is important that we explore those issues before policies emerge that cause us even greater concern.

The number of full-time police officers has fallen by 1,043 since the general election. We have heard various arguments about whether or not that is a problem. When the Labour party was in opposition, it was ingenious in not giving a specific commitment on numbers, although it gave a clear general impression that it was concerned about the falls in numbers under the previous Government, and launched attack after attack on them. It can now get out of that one by saying that it gave no specific commitment to increase the police numbers so the new falls are acceptable.

The number of special constables has fallen by 3,250 in two years. That is a 16 per cent. fall from 19,500 in March 1997 to 16,500 in March 1999. I know that the Minister has a particular concern about special constables because he said in January:

"Today's special is a police officer trained to professional standards commanding full confidence of regular colleagues and the public. . . . We believe this is an excellent use of a valuable resource available to chief officers and support this continued development of the Special Constabulary for the foreseeable future."

It gives us concern, and I hope that it concerns him, that we have seen a fall in numbers at a time when the Government seem to advocate increased use of that resource.

The Liberal Democrats would like to see an increase in police numbers. We suggest an increase of 6,000 as a useful way forward. The Government have helpfully

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costed our proposals in answer to a parliamentary question from one of their Back Benchers. In a written answer on 6 July, they said:

"The estimated annual cost of 6,000 additional constables would be around £150 million."—[*Official Report*, 6 July 1999; Vol. 334, c. 487.]

That would work out at about 5p a week for every citizen, or less than a penny a day. I feel that people would be willing to pay that to have an extra 10 constables in every constituency. People can relate to less than 1p a day and they would be happy to stump up.

We should not talk simply about a conflict between intelligence-led policing and police constables on the ground. There is a possibility of both if people are willing and able to pay. It is valid and legitimate to put it to the public that we need both to combat crime effectively by intelligence-led policing and to combat the fear of crime by providing uniformed officers as a point of contact. The two are not mutually exclusive. I should like us to consider funding both.

I am hesitant to talk about falls in numbers in any area, having heard from the hon. Member for South Dorset (Mr. Bruce) how intelligent our criminals are these days. I fear that they may browse through the pages of *Hansard*, discover where police numbers have fallen, and target their efforts there. I hope that the hon. Gentleman sees no influx of politically astute criminals into Dorset, although that may be one way to describe his campaign team.

I hope that the Minister will respond to the report published by the police service expenditure forecasting group in June. If he does not respond to Opposition concerns, he must respond to the group's comments that

"the revenue support grant settlement for 1999/2000 was insufficient even to meet inflationary pressures and other spending commitments. In itself, it provided no scope for investment to improve service quality and deliver."

That is the view of the professionals. They have made an assessment, and given us their honest opinion that the pressures are significant and are causing police forces problems in delivery of services.

The group has suggested that police forces have a particular problem with long-term projects such as the public safety radio communications project. We need to examine funding for such projects. The PSRCP will cost £23 million next year, but I understand that, as it rolls out in the following three years, it will cost even more. My force in South Yorkshire says that a major alarm bell is ringing on that issue. It simply does not have the money. There are two possible ways forward, both of which would be a problem. The first is to go forward with the full expenditure and cut front-line services. The second is not to take up all the options within the project, in which case the force will end up paying for a more expensive system without deriving all the benefits because it cannot afford the total package. The Government must look into that.

Pension changes are likely to cost more than £64 million next year, but concerns have been expressed that the changes needed in the pension system may end up costing more rather than less in the short term. We need to be assured that the Government are willing to make the changes in a way that does not impact on front-line services, given that the changes need to be made.

It has been estimated that the Crime and Disorder Act 1998 will cost about £15 million in the next year. We have welcomed the Act. The hon. Member for Salford (Ms Blears) referred to initiatives such as crime and disorder partnerships. We are fully behind such initiatives, but there was an expectation that the Act would be revenue neutral in its impact on the police. Yet I know from my police force that it is putting a significant amount of senior officer time into it. That is quite proper, but it gives the police a short-term funding pressure estimated at £15 million over the next year. That is £15 million well spent, but I hope that we shall not simply ignore the police authorities when they say that the legislation is costing them more than expected.

We must also take into account specific events such as the millennium. Police forces have flagged up a serious problem in funding police support over that period.

Mr. Paul Keetch (Hereford): Certainly, the West Mercia constabulary has expressed to me its concerns about funding police support at the millennium. However, the millennium is a foreseeable event—we have known about it for 1,000 years. Does my hon. Friend agree that the policing of unforeseeable events such as the demonstration at Consort Kennels in my constituency by animal rights activists places enormous additional burdens on the police? That demonstration diverted police officers away from their normal activities. The police do not believe that they receive adequate Home Office support for unforeseen events that crop up from time to time.

Mr. Allan: That is a general problem. In my constituency, we had the tragic circumstances of the Hillsborough disaster. Continuing legal battles are costing the police service money. It is receiving conflicting advice. It is a huge political minefield, but, whoever is right or wrong, the police have faced unexpected expenditure. The demonstrations at Shoreham also created a policing requirement. We do not want local police forces to feel that they cannot provide the required level of policing. Some form of ability to respond would be helpful.

We accept that efficiency savings can be made in the police force, but we do not accept the Government's denial that there is any problem. The hon. Member for Salford referred to an increase of £1.24 billion over three years. The Government's comprehensive spending review presentation has been wonderful. They announce, announce again and then announce again. They multiply any figure by three to give a better appearance to their public spending figures. However, when we unravel the Government's ingenious accounting methods, we find that the increase over three years is £675 million, not £1.24 billion.

We should consider funding over the whole Parliament. We were critical of the Government for accepting Tory spending limits. The House of Commons Library has shown that, over the Parliament, there will be no real-terms increase in central funding for the police. In 1998–99, there was a real-terms fall in central funding for the police. That was only the second time that that had happened in 20 years.

Police force reserves are another problem. Police forces often dip into their reserves for specific events, such as the millennium. That increases the overall cost to

the force. The Chartered Institute of Public Finance Accountancy has shown that 11 forces are now running reserves below the recommended level.

The hon. Member for Salford said that police officers faced challenging times. That was also the word used in the Home Office press release on its spending settlement. It said:

"This is a fair but challenging settlement for the police".

Everyone who has watched "Yes, Minister" knows that "challenging" is a Whitehall euphemism for "much lower than needed". One could say that local government had challenging settlements from the Tory Government in the past 18 years, and we know what impact that had on it.

We do not accept that there is a one-to-one relationship between funding and improvements in the police service, but we do not accept that there is no relationship whatever. That point is important and needs to be examined.

I wish to refer to the future direction of the police force. It is not a total coincidence that, at a time of tight police funding and falling numbers, the Government have opened the debate about the future of police patrolling. We are concerned about the Government's intentions. The Home Secretary has openly welcomed and encouraged the debate about the role of private security in patrolling the streets, and he has made public comments to that effect. We do not wish to see the private security industry ignored, as it has a significant role in private spaces, such as shopping centres, where one can define clearly who is responsible for that space and who should properly pay for the security.

There is a difference between that situation and sending people out on patrol, and we are concerned by talk about private security officers patrolling estates. There are two distinct services. Police forces are made up of accountable, professional, trained, disciplined and sworn police officers, who provide a distinct public service. Private security officers—we regret that the Government have not moved further on regulation for them—do not conform to the same disciplines. I hope that the Minister will indicate that there will be further regulation for private security officers.

The Government must ask themselves the crucial question—if private security provides a cheaper service, why is it cheaper? We believe that it is cheaper precisely because the industry does not have to maintain the same standards as the police. There is a lower quality, in that the industry is not an accountable public service with sworn loyalty to the Crown. I hope that the Government will make it clear that it is not their intention to civilianise police patrols. While there are proper arguments for civilianisation of non-front-line policing functions, we believe that they do not apply to police patrolling.

I hope that the Minister will respond to some of the specific concerns about funding issues, identified by the police agencies, and to some wider policy issues. That would shed far more light than simply repeating the mantra of the over-inflated and oft-repeated comprehensive spending review figures.

12.1 pm

Mr. Steve McCabe (Birmingham, Hall Green): First, I apologise to you, Mr. Deputy Speaker, to the hon. Member for Beckenham (Mrs. Lait) and to other hon. Members for being unavoidably detained and missing the start of the debate.

I will make a brief speech, concentrating on two themes. First, the West Midlands police force—one of the largest in the country—is not suffering under the misapprehension that it has had a resource cut; in fact, the budget for 1999–2000 shows a total revenue expenditure increase of about 2.3 per cent. It is significant that, in its budget planning, the West Midlands force has been able to put an extra 50 constables out on direct patrol on the streets. It has been able to do that because, as in Manchester—as my hon. Friend the Member for Salford (Ms Blears) explained—the force is engaged in a radical exercise in sector policing, which is designed to cut out wasteful bureaucracy in the police force.

The West Midlands police force has the highest percentage of constables to other ranks in the country, and the lowest management costs in the country. That theme is extremely important in terms of police funding.

As resources are made available, there are particular aspects of policing and projects to which we would like to see more money directed. Personally, I think that there is more scope for the use of technology in DNA processing, which would be an investment worth making. It is important that we get value for money. The key to that is to reduce management costs and to get a greater ratio of constables to other ranks.

The hon. Member for Beckenham said that numbers matter, and I understand her point. However, it strikes me as significant that the Audit Commission reports have pointed out consistently that, even where the numbers are high, there are forces which, at any one time, can call on only 5 per cent. of their total force to patrol the streets. One must ask what kind of organisational structure pertains where, out of a force of huge numbers, only 5 per cent. are doing active policing. The lessons from Manchester and the West Midlands must be taken on board by other forces if we are to get greater value for money and efficiency.

My second point was touched on by my hon. Friend the Member for Stroud (Mr. Drew). In this day and age, it is difficult to understand how it can be reasonable—with all the amazing technological advances, and the inevitable costs that they impose—to have 43 police forces spread throughout the country, ranging in number from 950 officers to 29,000. We have 43 authorities that are duplicating the costs of chief constables, personnel departments, research and development departments, payroll departments and purchasing departments. That seems to me to be an extraordinary waste of money.

I would not urge my hon. Friend the Minister to take direct action to compel forces to reduce overall numbers, or to rationalise the size of police forces. However, where improvements can be made by sharing at least some of those activities, there is scope for amazing cost savings, and that would be a significant step forward. I would particularly like to see a regionalised police force—the time has come when we can afford to reduce the number of forces from 43.

I am not concerned now with the question of a democratic deficit because of two significant developments. The first is sector policing. Local superintendents are now accountable to the local population, so there is direct democratic accountability. That is the great strength of sector policing. The second development is that the introduction of police authorities

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in itself removed directly elected accountability, in the way that it was understood traditionally. Having made that step, we do not need to rehash the old argument.

We must look for the maximum efficiency for the money we put in. That cannot possibly be achieved by 43 authorities that are duplicating every activity endlessly, and are wasting money on bureaucracy that could be spent on patrolling the streets and protecting people from crime.

12.7 pm

Mr. Robert Syms (Poole): I could not disagree more with the hon. Member for Birmingham, Hall Green (Mr. McCabe) about police forces. Dorset is a relatively small force, but it is efficient and commands public support. I do not wish to see vast county or regional forces, or a national force. The British system of doing things, with a degree of local accountability, is the best. The county forces, including some of the smaller ones, have a good record. Problems have tended to occur in some of the larger forces, particularly the West Midlands force and the Met. The smaller forces have delivered a good service over the years.

I wish to refer to the overall concern about funding and numbers. I know that "more funding and more numbers" is not the only answer, but it helps in terms of the management of the police. The hon. Member for Salford (Ms Blears) made an intelligent speech—apart from her political points at the end—and made some good points. However, the reality is that, in Dorset, we are struggling with pensions—as are all forces. Over the last 10 years, police pensions as a proportion of budgets have risen from 7 to 13 per cent—an added strain without additional budgets. That is a problem with which all Governments have had to deal.

Apart from pensions, there is the problem of the millennium, which—as the hon. Member for Hereford (Mr. Keetch) pointed out—is a predictable event. Major public services, whether police or hospitals, will have to make extraordinary arrangements to deal with that.

The Association of Chief Police Officers has said that the Crime and Disorder Act 1998 will cost £20 million. Much of that Act has been welcomed by my local force, and it may have a positive role to play in policing. However, there are resource implications that have not been addressed fully within budgets.

The fear of crime must be addressed. People are reassured when they see bobbies on the beat. I have a well-developed network of neighbourhood watch groups in Poole, whose members are extremely good at getting on to the police and asking, "Where are the bobbies on the beat? What is going on?" We should pay attention to the public relations aspect, which is particularly important to older constituents.

12.10 pm

Mr. David Lidington (Aylesbury): I congratulate my hon. Friend the Member for Beckenham (Mrs. Lait) on securing the debate and introducing it with such skill. Although there are undoubted differences between hon. Members across the Floor of the House, all of us, regardless of party, are united in acknowledging how much we and our constituents owe to the professionalism, dedication and constant vigilance of our police service.

My hon. Friend sensibly drew attention to the fact that there is no straightforward correlation between police numbers and police effectiveness in tackling crime. However, like my hon. Friend, other hon. Members pointed out that police numbers do matter.

For example, as the hon. Member for Stroud (Mr. Drew) and my hon. Friend the Member for Tewkesbury (Mr. Robertson) noted, it is a matter of concern, especially to people in rural areas, that they may at times have to rely on a response time target from a relatively remote urban centre, rather than having officers on duty, particularly over the weekend or through bank holidays, in the police office or police station in their own village or market town.

The hon. Member for Salford (Ms Blears) demonstrated all the passionate, born-again zeal for tight budgets that one would expect from the Parliamentary Private Secretary to the Chief Secretary to the Treasury. With a cut of 113 police officers in Greater Manchester since the general election, I am not surprised that she steered clear of that subject.

More generally, there is a difference between a considered decision by a chief officer to deploy more of his officers to intelligence gathering, problem-solving policing, surveillance and targeting known villains and repeat victims—for which there would be support across the House—and chief constables and police authorities feeling compelled to reduce the numbers on their establishment below the level that they would regard as satisfactory, simply because of budget constraints resulting from spending decisions imposed by central Government.

The Home Office's figures show that there has been a reduction of more than 1,100 police officers since the general election. The biggest losers include London, where the figure is down by about 680; Sussex, where the figure is down by almost 240; and West Yorkshire, which has lost more than 200 officers. Of the 43 forces in England and Wales, 29 have cut their police numbers since 1998.

The Government's priorities for spending were made clear in their comprehensive spending review. The figures that I have seen suggest a cash increase of 2.7 per cent. in the current year, plus the hoped-for efficiency savings. Over the lifetime of this Parliament, the Government's published spending plans involve real increases of no more than 0.7 per cent.

As four fifths of police expenditure goes on pay, a tight budgetary settlement inevitably means that there will be an impact on manpower. That has been recognised by the Association of Chief Police Officers, the Association of Police Authorities, the Police Federation and the Police Superintendents Association, which have all vigorously drawn attention to the fact that such a tight settlement will make it extremely difficult for them to deal with the priorities that they have been set by the Home Secretary, and to provide the quality of service that they want to give to their local communities.

ACPO has said that an increase of 6.1 per cent. in police spending is needed in order to stand still in the provision of service. If the Government disagree with ACPO's assessment of necessary expenditure, I hope that the Minister, in his response or in writing subsequently, will spell out in detail the methodology that the Government have used to reach a different conclusion from that of ACPO.

As time is short and to enable the Minister of State to respond, I shall concentrate on three topics related to resources, on which I hope the Minister will comment. The first topic is patrols. The hon. Member for Sheffield, Hallam (Mr. Allan) expressed concern about problems affecting the special constabulary. The Minister knows that there has been considerable disquiet among police officers at the idea that, partly as a consequence of constraints on resources, the Government may be considering greater reliance in the future on ancillary citizens patrols or private security patrols of some sort.

Concern about that is not confined to those on the Conservative Benches. A Labour peer, a distinguished former officer, Lord Mackenzie of Framwellgate, warned in another place of

"substitute, second tier public or private patrols, which certain chief constables are flirting with."—[*Official Report, House of Lords*, 21 June 1999; Vol. 602, c. 723.]

We on the Conservative Benches have no problem with voluntary initiatives in support of the police. Neighbourhood watch was a great success story of the 1980s, and I am delighted if those on the present Treasury Bench have been converted by my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) to the advantages of "walking with a purpose". It is always pleasant to see Labour Ministers swallowing the words that they expressed in opposition.

What powers would those patrols have? Would those on patrol hold the office of constable? What would their relationship be to the police? Would there be disciplinary procedures if the powers of those patrollers were abused?

The second topic is pensions. The inspectorate of constabulary concluded that police pensions will cost about 14 per cent. of police expenditure by the financial year 2001-02. It is just over a year since the Home Office published its consultation document on police pensions. Lord Burlison, another distinguished Labour peer, said in another place:

"We intend to publish soon specific proposals on the future of police pensions."—[*Official Report, House of Lords*, 21 June 1999; Vol. 602, c. 737.]

I hope that the Minister will tell us how soon that document will be published and over what time scale the proposals will be implemented.

My final point concerns the public safety radio communications project—PSRCP—to which other hon. Members alluded. I am sure that the Minister of State is aware of a letter of 17 June from the chairman of the Association of Police Authorities, Dr. Henig, to the Home Secretary, in which she wrote.

"It is already clear . . . from the indicative prices that many authorities will face very serious problems if the full cost of this service is to be met from existing funding allocations."

She continued:

"The police service cannot afford to finance PSRCP within the existing level of police grant, without a direct effect on the availability of officers for frontline policing."

My own authority in Thames Valley told me that its estimates suggest that the reality of absorbing PSRCP costs within current baselines set by the Government would result in the need to reduce police officer strength by 167.

I hope that the Minister will be able to give answers to some of those questions. He and his colleagues now have the responsibility for making budgetary decisions and setting priorities for a service that all of us in the House support. I hope that he will deal with the concerns that have been expressed not merely by hon. Members in the Opposition parties, but by senior representatives of the police service.

12.19 pm

The Minister of State, Home Office (Mr. Paul Boateng): This has been a useful and largely good-humoured debate. I congratulate the hon. Member for Beckenham (Mrs. Lait) on raising an important subject that the whole House will want to be tackled. She was wearing her sensible shoes today; to be fair, she always does. Unfortunately, those sitting behind her—the bovver boys of Dorset and of the New forest—were determined to put her off track. They were true to form; she rightly talked about the importance of sophisticated argument and sensibilities in respect of numbers. The hon. Member for South Dorset (Mr. Bruce) knows nothing of sophistication, and sensibilities are hardly the stock-in trade of the hon. Member for New Forest, West (Mr. Swayne). We heard from them a crude party political response to the debate which did them and their party no service whatever.

The truth is that the Government have made available to the police resources far over and above those made available by our predecessors. The figures speak for themselves: estimated total revenue expenditure on the police service in England and Wales for 1999–2000 is £7.426 billion—an increase of £225 million, or 3.1 per cent., over 1998–99. Let us look at police numbers in the constituency of the hon. Member for Beckenham. Police numbers fell between March 1992 and March 1998—by an average of more than 340 officers a year on the basis of a Conservative budget in each and every one of those years—and the Metropolitan police lost 2,060 officers throughout that period. We have stabilised the position and the Met lost only 21 officers in 1998–99. Those are the facts and she must give credit where it is due. Under the Government whom she supported, police numbers fell by more than 340, year on year.

The hon. Member for South Dorset complained about the budget of the Dorset police, but it has increased in the current year by 5 per cent., or £77.4 million, which is above the national average of 3.1 per cent. The people of Dorset would not have had that money spent on policing had his party been returned to government. It was not returned to government and, as a result, expenditure on police in Dorset is greater than under our predecessors.

Mr. Ian Bruce: Will the Minister give way?

Mr. Boateng: No.

The hon. Member for Tewkesbury (Mr. Robertson) also complained, saying that the presence in the Chamber of three Members representing Gloucestershire seats showed that Gloucestershire's police funding was in crisis. On the contrary; that is a sign of diligence, not of crisis, and it is no accident that the Conservatives were outnumbered. One Conservative and two Labour Members representing Gloucestershire seats were present, and the House can draw its own lessons from that. The contributions of those Labour Members, as well as those of my hon. Friends the Members for Salford (Ms Blears) and for Birmingham, Hall Green (Mr. McCabe), recognised the real gains being

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made in policing on the ground resulting from the Crime and Disorder Act 1998. Those gains were reflected in the intervention of my hon. Friend the Member for Gloucester (Ms Kingham).

All my hon. Friends recognised that the 1998 Act has provided a totally different context for policing and the reduction and prevention of crime in our country, and that it has enabled partnerships to be established on the ground. The hon. Member for Poole (Mr. Syms), who wears his sensible shoes on almost all occasions, was good enough to give due credit to all those good folk in Dorset who are taking advantage of that Act, which the Labour Government passed, to build effective partnerships between the private and public sectors, which is the best way of bearing down on crime and disorder.

We heard the usual Liberal rant from the hon. Member for Sheffield, Hallam (Mr. Allan): money, money, money, money, more resources, more resources, more resources. Some absurd figures were picked out of the air and it was suggested that if only we would take another penny out of our pockets and give it to the police—it could have been two pennies, but one never knows with the Liberals—all would be well and police officers would suddenly spring up like dragon's teeth. My response is that he really must get real. Why are the Liberals so afraid of recognising the benefit that private-public partnerships can bring?

The hon. Gentleman attempted to raise the spectre of neighbourhood wardens as if the House should be frightened of them. The reverse is true and I am sorry that, in an otherwise unremarkable maiden Front-Bench speech on these matters, the hon. Member for Aylesbury (Mr. Lidington) saw that same spectre. He suggested that neighbourhood wardens somehow presented a threat to traditional policing values. They do no such thing, because community patrol and neighbourhood warden schemes do not provide substitutes for police officers. On the contrary; their role is to add value to the work of police officers, not to replace them. The benefits of that are being experienced by local communities up and down the country. If the hon. Member for Hallam listened to communities more rather than always having the next edition of *Focus* in mind, his party would be much better sighted on these issues.

Two serious points relating to police pensions were raised by my hon. Friends and echoed on occasion by Conservative Members. We recognise the difficulties faced by police authorities—they are part of the poisoned legacy left to us after 18 years of neglect of these issues and this part of public policy. We have increased the proportion of revenue funding to be allocated on the basis of pension commitments to 14.5 per cent. in 1999–2000 in recognition of the increased burden of pension costs. I assure the hon. Member for Beckenham that we have been prepared to confront those difficult issues in our review of this matter.

There are no easy answers to the problem of the cost of police pensions, as my hon. Friend the Member for Salford said. We have not yet made final decisions on the detailed content of the firm proposals that we intend to introduce, but we shall do so shortly. The House will then have an opportunity to consider them, as will the police service and the wider community, in terms of the decisions that we shall have to take.

The public safety radio communications project is important because it relates to new technology, and to improving and enhancing police capacity in that area. Negotiations are taking place between the police information and technology organisation and BT, the putative contractor. They will soon produce outcomes and it will then be possible for us to consider a proper response to the funding challenges.

These are challenging times, but partnership between the police and the public—not simplistic solutions, but recognition of the importance of efficiency and effectiveness—is at the heart of our policies. If we recognise the complexity of modern policing, and if we do not accept simplistic answers to simplistic questions, we shall go forward successfully.

Grimsby Fish Market

12.30 pm

Mr. Austin Mitchell (Great Grimsby): I hope that you are sitting comfortably, Mr. Deputy Speaker. I hope that my hon. Friend the Minister is also sitting comfortably, because I am about to retail a horror story that is worthy of the Hammer house of horror—apart from the fact that, in this horror story, Anglian Water plays the combined role of Baron Frankenstein and Count Dracula.

At the beginning of this year, the Grimsby fish merchants who buy and fillet fish in Grimsby's market—Grimsby's wonderful new fish market, I should say—received a shock. These merchants, who carry out what could be described as the primary process, were given estimates by Anglian Water showing the scale of the increase in charges that would take effect from June. The increase had been imposed to pay for the new treatment station at Pyewipe, which was to come on-stream in that month and, indeed, has come on-stream. The existing charge for Macklam's was £738 a year; it was to increase to £20,400—an increase of 2,600 per cent., at a time when inflation was running at about 2 per cent. The current charge for Arthur Bacon was £2,700 a year; that was to increase to £49,000, an increase of 1,735 per cent. The current charge for Cheek House was £7,000 a year; that was to increase to £63,500, an increase of 790 per cent.

Those horrendous increases were due to the urban waste water treatment directive, which requires urban waste water from coastal towns to be collected and treated prior to discharge by the end of 2000—next year, in other words. Grimsby was to have the pleasure of pioneering the measure and of paying the full charges 18 months before the deadline. That was because Anglian Water happens to have a new treatment station—originally intended to remove discharges deposited on beaches in Cleethorpes—which was planned and started before the directive. The station was to be financed by the charges, although what is discharged by the fish merchants—the primary processors—is organic biodegradable waste.

The Sea Fish Industry Authority tells me:

"The direct discharge of this effluent to the open sea is relatively harmless, it simply returns the fish nutrients back to their origin."

Indeed, generations of fish in the Humber estuary and its environs have been reared on exactly such discharges. Anglian Water says that the discharges, although organic and biodegradable, are polluting; but that is only because they are mixed with human and other industrial waste before being treated. If the material were discharged directly into the sea—that would be possible, with consent, and it is being considered in north-east Scotland—there would be no threat of pollution.

Anglian Water imposed the charges on Grimsby before imposing them on any other fishing port. I am talking about ports with which Grimsby is in direct and increasingly intense competition. For instance, it is competing with Hull for landings. Hull has no processing plant, so no charges will be imposed in that regard—if, indeed, charges are imposed at all. If they are imposed, they will be imposed in 2001, or perhaps later. Grimsby must also compete with north-east Scotland and parts such as Aberdeen and Peterhead. As my hon. Friend the Member for Aberdeen, Central (Mr. Doran) will know, the North of Scotland Water Authority intends to set up a plant under the private finance initiative, but bids will not come in until next year and we do not know when the plant will be completed.

The competition is intense. Because of the shortage of fish, Grimsby market's throughput has fallen by 25 per cent. since its establishment. The problem is that this is a mobile industry. The merchants and traders can do their business anywhere. Grimsby merchants buy in Hull; Hull merchants buy in Grimsby. If there is a threat of much heavier charges in Grimsby, the merchants will simply transact their business elsewhere.

Fish can be landed anywhere. Why should they be landed in a place where charges will be so much higher than they are in every other fishing port?

The strength of Grimsby market lies in the fact that a large number of merchants are competing, and they set good prices. The competition sets good prices. If a substantial proportion of merchants go bust because of these charges—20 or more firms may go bust—there will be less competition to set the prices. The possibility of bankruptcy is imminent for several. Anglian Water says that the increase amounts to no more than 1 per cent. of annual turnover, but the Sea Fish Industry Authority estimates that in 1994 processors' profit amounted to only 1.5 per cent. of sales, so most of the industry's profit will be eliminated by the charges. Bankruptcies will result, and firms will go under.

Grimsby's ability to set a good price will be lessened, as will its attraction in regard to fish landings. The charges will deal a blow to our competitive position in the United Kingdom, and, when they are imposed everywhere—as they will be—will deal a blow to the competitive position of British fishing, as opposed to the European position. The directive leaves it open, but I have no doubt that if charges are imposed everywhere, they will not be imposed in the same heavy-handed fashion elsewhere. Other countries do not have the hard-nosed water companies that we have.

Other countries are helping their fishing industries to adjust. Denmark, for instance—

Mr. Bob Blizzard (Waveney): Will my hon. Friend give way?

Mr. Mitchell: I will in a minute, when I will be making a point directly relevant to my hon. Friend's constituency.

Denmark is giving its industry relocation grants. France is giving its processors 70 per cent. grants to enable them to install treatment equipment in their plants; 35 per cent. comes from the chamber of commerce, while 35 per cent. is provided by European grant money. Other countries are coping without higher charges, and that will deal a blow to the competitive position of Grimsby and the British industry as a whole. It will also deal a blow to fishermen, because the cost of fishing will increase. Fish is already experiencing difficulties in the supermarkets. Demand is down because the price is up: people are turning to alternatives such as chicken. As a result, there is surplus capacity on the processing side. We are already seeing manufacturers restructuring and jobs being lost, and the charges represent a further prod in that direction, because they will increase the cost of fish in the supermarket.

As soon as this became known, I was confronted by an outcry. I began corresponding with Anglian Water. The joys of corresponding with Anglian Water must be

[Mr. Mitchell]

experienced to be believed: I really ought to publish the correspondence on the internet. It involves all the pleasure of corresponding with an "I speak your charge" machine that replies only, "We must do this in order to clean up the environment. Charges will go up. You will enjoy it later."

Anglian Water has pretty much refused to budge. It did agree that its initial sampling procedures, on which it has based its charges, were wrong. I am glad that it agrees about that because the procedures were wrong, so Anglian Water has made no great concession in that respect.

I arranged a meeting with my right hon. Friend the Minister for the Environment. He urged compromise. Anglian Water said, "In that case, we will start the charges one month later." That, too, was no great concession because Anglian Water could not have started the charges in June anyway. It also said that it would limit the increase this year to two and a half times the existing charge, or 250 per cent when inflation is 2 per cent., provided that the full charge—up to 500 per cent. for smaller merchants, which will amount to about £250,000 for one of our biggest processors, Bluecrest come in—next year, so Anglian Water gets the merchants into its net, and then closes the trap.

Anyone who protests about the charges is now being referred by Anglian Water to its legal department. Such is Anglian Water's desire for accommodation and compromise. There is still to be an increase of 2.5 times, and a damaging blow is still to be dealt to Grimsby—and it is based on inaccurate information. Samples of the effluent that is discharged vary widely. The Sea Fish Industry Authority has carried out checks, and its findings are very different from those of Anglian Water, whose findings from surveys and spot checks fluctuate wildly.

There is no legitimate basis for these charges. It is a basic principle that charges should reflect the actual costs. Anglian Water does not know the actual costs, and it therefore has no legal or reasonable basis for the charges.

There has been no co-operation with the Fish Merchants Association, because Anglian Water has been unhelpful on the "divide and rule" principle. Indeed, Ofwat wrote to me on 28 June saying that

"Anglian Water did not properly consult fish merchants". properly.

That was a crushing indictment of Anglian Water.

Fish merchants have had no time to implement changes in their procedures to reduce effluent. All sorts of changes could be made, but they all take time, investment and planning. Merchants could use less water—which they use at the behest of their customers, who want the product to be clean and not to be filleted in dirty water—or they could arrange for primary treatment of effluent, or they could remove solids, which could be collected by the council. The big processors could construct a dissolved air flotation plant—which would cost £250,000, so it really is only for the big boys. Consents for direct sea discharges could be obtained. Small business men could be grouped, so that they might better cope with the charges or install plant to reduce effluent.

The Sea Fish Industry Authority is prepared to advise on alternatives; even Anglian Water could help and advise, but it has done nothing. The fact is that there has been no time to act on any alternative, because Anglian wants its money—its pound of fish—now.

The fishing industry in north-east Scotland has brought in environmental consultants—CORDAR—financed by local authorities, to tell it how it might reduce effluent and, therefore, the charges that it pays. In Grimsby, we have had no time to take similar action.

Anglian Water has not even considered the regulator's suggestions. The Environment Agency told me that

"scope exists for Anglian to present an argument to OFWAT that Grimsby fish merchants are a special case and their costs should be phased in."

To which, in a letter to me, dated 6 July, Anglian Water simply replied:

"Using the economic argument would set a precedent applicable to other groups".

Gosh—how awful it would be if people were able to contest charges on economic grounds!

On 7 April, the Office of Water Services suggested to Anglian that

"charges should be delayed until waste minimisation and agreed sampling procedures have been put in place."

There was no response.

The Ministry of Agriculture, Fisheries and Food has finally been stirred, and realised that the charges will damage the industry. MAFF urged caution in applying the charges, which are only one of many burdens being imposed on the fishing industry. MAFF has received no response from Anglian on the matter.

Grimsby is on the front line of this issue, as all the other water companies are waiting to see what happens there before imposing their own charges elsewhere. Some companies, such as Yorkshire Water, are being a little more sensible about the issue. However, South West Water is proposing increasing water charges from 37p to £5 per cubic metre. North-east Scotland's pelagic industry is facing a 28-fold increase in water charges. Therefore, everyone is waiting to see what happens on the front line.

My hon. Friend the Member for Waveney (Mr. Blizzard) is interested in related events in Lowestoft, and I hope that he will lead the resistance to similar charging there.

Mr. Blizzard: Fish merchants in Lowestoft are watching the situation with great trepidation, as Anglian Water is just about to commence work, just north of Lowestoft, on a new sewage works, and we fear that the same charging regime may be imposed in my area. My hon. Friend has made the point very well that no business can face such crippling charges, and pointed out the irony that fish merchants' waste itself does not harm the marine environment.

I also tell my hon. Friend that my experience of Anglian Water is essentially the same as his—Anglian is arrogant and insensitive. Moreover, Anglian itself was recently fined £14,000 for polluting the beaches at Lowestoft, resulting in the loss of a European blue flag.

Mr. Mitchell: I am grateful to my hon. Friend for his intervention, which reinforces the argument.

I should also emphasise that these Grimsby merchants are new Anglian Water customers. Previously, Associated British Ports added 18 per cent. to its charges, and then divided up those charges and billed individual businesses. When ABP discovered the size of the charge increases, it decided to let Anglian Water cut out the middle man and

crucify its customers directly. Those Grimsby merchants are therefore new customers, for whom Anglian should allow a one-year moratorium in applying the new charges so that a proper and legal charging basis may be agreed, and customers advised on how to reduce charges. After the moratorium, the new charges could be phased in.

I also ask the Government to consider how they might assist the British fishing industry, the competitiveness of which is being affected by a massive increase in charges. Our industry needs help and support which has been made available in Europe, but not in the United Kingdom. Something has to be done to encourage our industry. It needs encouragement and advice on training, and proper investment in new procedures to reduce effluent—which, consequently, would reduce bills. I am sure that no other European Union member state would insist that the new charging regime should be implemented as fully and rigorously as Anglian is trying to do.

Despite the temptation—as hon. Members will see, I am labouring under strong feeling on the issue—I shall not apply John Edmond's two-word description, one word of which was "greedy", to Anglian Water. I do not want to call Anglian greedy—its behaviour will prove whether it is. Nevertheless, Anglian Water has the power to do anything. It has the power to establish a moratorium and to phase in the charges gradually. It should exercise its power for the benefit of our fishing industry, which has been very hard hit, and to create good relations with its customers. It is a monstrous and unforgivable tactic for Anglian to use its legal department to threaten customers who express doubts about the size of the charge increases.

Anglian Water's only defence is but a sophisticated form of the Nuremberg defence. Anglian tells me, "We're improving the environment—everyone wants that". Anglian said:

"We are merely seeking payment for the services we are providing".

The Nuremberg defence was, "I have killed you for your own good and for the good of others", and Anglian has taken the same line.

Our fishing industry accepts the need to clean up the environment. It has cleaned up its own environment by using an enormous amount of water. However, it cannot absorb such a huge increase in charges. We are not at the 11th or the 12th hour—it is 12.30. Nevertheless, I tell Anglian Water that the charges will be resisted. I cannot advise merchants to pay the charges, or say, "You've got to behave reasonably towards Anglian Water because Anglian has behaved unreasonably and inconsistently towards the fishing industry."

I tell Anglian Water this, "If you persevere in blind, unaccommodating, inconsiderate and greedy behaviour, you will irreparably damage the fishing industry and—specifically, and in advance of the rest—the Grimsby fishing industry. You'll kill the goose that lays your golden eggs. If you do that, I'll not forgive you, Grimsby will not forgive you, and the fishing industry certainly won't forgive you."

12.47 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Alan Meale): I congratulate my hon. Friend the Member for Great Grimsby (Mr. Mitchell) on securing this debate. It is a very important debate not only because of the importance of the United Kingdom fishing and food processing industries, but because of the importance of the communities in the areas represented by my hon. Friend and other colleagues in the Chamber.

I pay tribute to my hon. Friend, but also to other Labour Members for attending the debate. It is noticeable that only Labour Members have attended this very important debate on an issue affecting not only Grimsby but many other fishing communities across Britain. I am sad that Opposition Members have not bothered even to be here.

My hon. Friend has a long history of supporting and expressing the concerns of the fishing industries. I remember that, long before I was elected to the House—even before my hon. Friend was a Member of Parliament—in the mid-1970s, he was campaigning on issues affecting the fishing industries. Similarly, some of my other Friends in the Chamber, in their short time in the House, have expressed in the House concerns about food processing and fishing companies in their constituencies. My hon. Friends the Members for Scarborough and Whitby (Mr. Quinn), for Waveney (Mr. Blizzard) and for Cleethorpes (Shona McIsaac) persistently raise their concerns. My hon. Friend the Member for Aberdeen, Central (Mr. Doran) also raises matters of concern frequently, but fishing is a devolved matter in Scotland, and my hon. Friend the Member for East Lothian (Mr. Home Robertson), who deals with these matters in Scotland, is present in the Chamber.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I ought to point out to the Minister, as the Chair has frequently had to do to hon. Members, that half-hour Adjournment debates are the property of the hon. Member who introduces them. They are not wide-ranging debates, and the absence or presence of other hon. Members has no significance for them. The debate is a matter between the hon. Member for Great Grimsby (Mr. Mitchell) and the Minister.

Mr. Meale: I appreciate that point, Mr. Deputy Speaker. I referred to my hon. Friends because of the enormous number of representations made to me before the debate. I realise that the debate is narrow and time limited, but I recognise the concerns of many of my hon. Members.

This is a serious matter, but I must disappoint my hon. Friend the Member for Great Grimsby by saying that the Government do not have the power to intervene in the charges set by Anglian Water this year. Under the law, we cannot tell Anglian Water what to charge. Neither Ministers nor Ofwat have the power to control charges, provided companies do not discriminate unduly and remain within price limits. Our only power—we have used it as best we can—is to encourage all parties to search for an agreed solution.

My right hon. Friend the Minister for the Environment recently met a delegation led by my hon. Friend. We have not been able to achieve an agreement, but I am more than willing to meet my hon. Friend, and others, to discuss their concerns. We shall use our best endeavours to gain some movement.

The Government value the fishing industry, and substantial grants for a range of improvements have been made to fish processors under the European Union fish processing and marketing scheme. Since the processing

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and marketing and port facilities teams were launched in 1996, the Ministry of Agriculture, Fisheries and Food has made grant awards totalling more than £8 million to English fish processors, markets and fishing ports. The Sea Fish Industry Authority, which is sponsored by that Ministry, recently produced a 50-page guidance note on water and effluent minimisation, which has been sent free of charge to fish processors. The document contains guidance to fish processors on how to identify areas of wastage and minimise increases in costs.

We support the determination of our fishing industries to be fully competitive internationally. My hon. Friend suggested that we should do more than other countries to improve the environment, and he said that firms abroad receive financial help for environmental improvements. Each EU country supports its industries in different ways to suit local arrangements, but there are legal limits on assisting industries financially without falling foul of competition rules.

If my hon. Friend has any evidence that other EU states have supported their fishing industries beyond the limits of competition rules, it would be a matter for the European Commission to investigate. Other member states have different priorities and contribute different shares to the EU budget. Their fishing industries are in different stages of development and vary in their relative importance to national economies. It would not be appropriate to seek to match the spending of other countries in these areas. Spain, for example, receives a much larger allocation than anyone else, because of the size of the Spanish fishing fleet and the relative poverty of the areas concerned.

To provide decent services and to protect the environment, it is reasonable to expect all users of services to pay their way. In particular, charges should broadly follow the principle that the polluter pays. Producers—including the fish processing industry—of trade effluent hitherto discharged with little or no treatment have benefited for many years from relatively low charges.

Mr. Frank Doran (Aberdeen, Central): My hon. Friend mentions the polluter pays principle, but one of our major difficulties is that different water authorities apply the rules differently. The industry is highly competitive, and when my hon. Friend the Member for Great Grimsby (Mr. Mitchell) talks of possible job losses in Grimsby, I have to hope that some of those jobs might come to Aberdeen, but the playing field is not level.

Mr. Meale: I take that point, and I sympathise on the points made about the introduction of new charges. That is why I have offered to broker a deal.

Although the average bills of fish firms have been lower than average household bills, the firms produce much more effluent than households do. Consequently, their bills per cubic metre have been lower on average. According to Anglian Water, the previous charges to fish firms in the Grimsby area were about 25p per cubic metre. The increased charges work out at about 66p per cubic metre—just over half the volumetric price that domestic customers pay. Given the volume of fish firms' effluent, it is remarkable that previous trade effluent charges for some firms were as low as £112 when the average household sewerage bill in Anglian Water's area was £164 in 1998–99.

A few fish firms have claimed, as a reason for continuing to pay low charges, that they produce natural waste. However, fish processing includes processes such as battering and crumbing. It also produces discharges with a high content of putrescible solid waste. By its very nature, the industry is dirty, and effluent can contain blood, offal, oil, flour and other residues. The effluent is comparatively polluting and expensive to treat.

In England and Wales, since before privatisation, trade effluent charges have been calculated according to the Mogden formula, under which charges are set partly according to the nature of the effluent and partly according to the level of treatment undertaken. That is in line with the polluter pays principle, which we fully endorse.

Fish firms are being asked to meet the higher costs of treating their effluent to at least secondary standards, as is required by the urban waste water treatment directive. We support the directive's main aims, and I shall outline some of the main improvements that it requires. There should at least be minimum requirements for the treatment of all significant discharges of urban waste water from the sewerage network to fresh waters, coastal waters and estuaries. Secondary treatment—that is, treatment by a biological process—is required as the norm for urban waste water discharges.

The directive requires that the most potentially polluting urban waste water discharges—in other words, those into sensitive areas—should have been treated by the end of 1998. Those serving communities of 15,000 people or more must be treated to secondary standard or higher by the end of 2000, but treatment of smaller discharges can be deferred until the end of 2005. We consider that all of that is right, and we want improvements to be introduced as quickly as possible—

Mr. Deputy Speaker: Order. We must now begin the next debate.

Plymouth and Torbay (Objective 2 Bid)

1 pm

Mr. Adrian Sanders (Torbay): I am tempted to move to the Dispatch Box, given the absence of Conservative Members, but—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. This is the second time I have had to intervene. These half-hour Adjournment debates are the personal property of the hon. Member introducing them. The relevance of any other hon. Member attending them is not at issue; they are a matter only for the hon. Member introducing the debate and the Minister replying.

Mr. Sanders: The south-west region suffers from an outdated conception of its prosperity that is based either on an old-fashioned view of current conditions—often resulting from people's childhood experience of pleasant summer holidays—or a view that the east of the region, which is prosperous, is somehow typical of the entire region. In a sense, we are the victims of our own marketing strategy. We spend thousands of pounds marketing the area to the rest of the nation and overseas as a place that is good to visit, with a high-quality environment, good standards of accommodation and plenty of attractions. That tends to hide some of the social problems that lie behind the facade of the marketing strategy.

Cornwall's designation as an objective 1 region demonstrates that there are substantial problems in the west of the region, but those problems do not end at the Tamar bridge. My Cornish colleagues may even agree with me when I say as a Devonian that parts of my county are indistinguishable from the county of Cornwall: the tin mine ruins of west Devon, the chapels of north Devon, the fishing port of Brixham and, linking both counties as a main centre of education and employment, the city of Plymouth, which provides thousands of jobs, as well as education and health services, for people who live in Cornwall.

The Plymouth-Torbay-Devon arc essentially represents a dividing line between the prosperity of the main south-west region and the Cornwall-Devon periphery, where unemployment is significantly higher and GDP per capita considerably lower than the national, regional or European averages. Indeed, 56.5 per cent. of people in the arc area are economically active compared with 62.6 per cent. of people in the south-west generally, and 16 per cent. are recipients of income support, compared with just 12 per cent. in the rest of the region. Average earnings are 84 per cent. of the UK figure and our GDP per capita figure is 82 per cent. of the European average. The figure for my constituency of Torbay is equivalent to that for Cornwall, at 71 per cent.

The area's historic economic rationale and its recent problems derive from its natural environment. Inland, the importance of agriculture and the natural environment dominates, while, on the coast, the traditional industries of tourism, fishing, defence and support services have been in decline for some time.

The decline of dominant sectors has affected every part of the north, west and south of the county, and includes a substantial decline in industrial employment in Plymouth, the slow and inexorable decline in agriculture-related employment throughout the rural part of the area, a continuing decline in the service sector, particularly resort tourism employment in Torbay and other coastal locations, and a decline in fishing and related industries.

Mr. John Burnett (Torridge and West Devon): I am grateful to my hon. Friend, who is making a powerful case. We in Devon are delighted that Cornwall has received objective 1 status. Does my hon. Friend agree, however, that if the Devon arc does not achieve objective 2 status, investment and jobs will go to Cornwall or remain in the prosperous areas to the east of the Devon arc, leaving us with a corridor of neglect?

Mr. Sanders: My hon. Friend makes an important point. There is already evidence of that. A prospective call centre that wished to locate in my constituency is now looking at Cornwall rather than Devon because it has objective 1 status. There could be more such cases in future if our bid is not successful. One of the criteria laid down by the European Commission—which is also part of the Government's remit—is to assist areas adjacent to those that receive the maximum objective 1 support.

Ms Candy Atherton (Falmouth and Camborne): I am grateful to the hon. Gentleman for giving way. He will know that we in Cornwall were very grateful for the support of colleagues from Devon for our bid for objective 1 status. Is he aware of how much we recognise the importance of Devon's objective 2 bid? It is important to acknowledge that we are not in competition here. One reason for Cornwall's success was the unanimity across the wider south-west that we needed objective 1 status. It is vital that the message gets through that Cornwall is also calling for objective 2 status for the hon. Gentleman's constituency, just as Devon called for objective 1 status for us.

Mr. Sanders: The hon. Lady is absolutely right. Other partnerships of support are emerging throughout the south-west. I was very pleased about the support from Somerset, Gloucester and Bristol and from right across the south-west, as well as from Cornwall.

Our economic problems did not occur overnight with the loss of a major employer or an industry such as steel or shipbuilding, but the social and economic effects are just as severe. The question that has to be answered is not whether the area should receive assistance but when.

The Plymouth-Torbay-Devon arc bid is not an immediate reaction to a new set of events, but a considered response to a long-term trend. Traditional employment opportunities have been in long-term decline, new sectors have failed to emerge and low-wage and often part-time employment dominates the labour market.

The trend towards low-wage and part-time employment has increased in recent years. The majority of jobs in sectors under threat, such as fishing and defence-related industries, have been full time and higher paid. As those jobs have declined, they have been replaced by predominantly part-time and lower-paid service sector jobs. Even in lower-paid industries, such as agriculture and tourism, there has been a move away from year-round, full-time jobs to more seasonal part-time jobs.

Even though there is a strong and vibrant hotel and catering industry in the region, and especially in my own constituency, it supports far fewer people in the area than it

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did in the past. Gone are the days when a small guesthouse could generate enough to provide a sole income for the owners. Gone are the summer months when family-owned local shops would get a boost in trade that stopped the business from going under in the winter months. Gone are the week-long, bucket-and-spade holidaymakers in their thousands, whose holiday pay circulated in the local economy for months after their visit.

Today's visitor will spend more, but less of that money will stay in the local economy. It will be spent in national accommodation chains, nationally owned petrol stations and superstores, nationally run entertainment centres and tourist attractions and nationally franchised fast food outlets. Nationalisation in the literal sense has seen to that. Globalisation has had similar effects in fisheries, agriculture and defence—the other main south-west industries.

One of the main consequences of those changes is that well-educated, trained and skilled labour is fast becoming our main export to the rest of the United Kingdom.

Our problems were recognised under the far south-west objective 5b programme, the Plymouth objective 2 programme, through funding drawn down under European social fund objective 3 and Community initiatives such as PESCA, LEADER and KONVER.

The far south-west has an established track record of successfully implementing a number of European programmes, but the nature, mechanics and scale of previous programmes have only slowed the economic decline of the region. The 1994-99 programmes can be regarded as the start of the process of reversing decline, but it is far from complete.

The intention behind the new objective 2 bid is to build on past programmes. Already, a comprehensive partnership of local councils, businesses, community groups and voluntary organisations have come together and identified the main drivers for change. They include competitive small and medium enterprises. The long-term prosperity of the region is dependent on a strong, outward-looking and competitive business sector.

Technology and knowledge-based industries are also important. The growth of industries in which physical location and accessibility are less important presents opportunities for the far south-west. For example, 70 per cent. of all internet traffic in north America is transported on equipment made in south Devon. With our skilled work force, clean environment and strong university bases in Plymouth and Exeter, the area is very well placed.

We need to support sectors in transition. Adjustments in the agriculture, fisheries, defence and tourism sectors have hurt the local economy. With support from all four of the strands in the objective 2 programme, we can help those industries to create new opportunities and improve their competitiveness.

Mr. Anthony Steen (Totnes): The hon. Gentleman is wise to have given way to me, because I intend to support him on this occasion and say what an excellent initiative he has taken in securing this debate. My hon. Friend the Member for Teignbridge (Mr. Nicholls) and I share his sentiments and support his case, and we hope that the Minister will be able to give us some good news.

Does the hon. Gentleman agree that one of the major factors in getting new money into Devon is that we should have a good transport network? Does he share our concern about the lack of railway development and agree that, without good air and rail transport, new industries will not want to locate in our area?

Mr. Sanders: I thank the hon. Gentleman for his support and agree that transport links are crucial. We may be able to tackle some of the transport problems through objective 2 funding, so it is doubly crucial that we secure it.

Community regeneration is another important economic driver. The major task will be to tackle the severe deprivation in the region's major urban centres as well as in some of the smaller towns. The failure of trickle-down approaches to the regeneration of deprived communities is now widely accepted. The region has a strong track record in community-led and co-operatively structured initiatives, with wealth and job creation centred on local needs, local labour markets and local solutions.

I think that the case has been made. It is one with which the Minister is familiar, as he has taken the trouble to visit the region and sample the reality of our economic circumstances. For that, we are grateful, and we assure him that a warm west country welcome awaits him should he want to make a return visit.

We await with confidence the Government's decision on which areas will qualify for the new objective 2 programme. There is all-party support for our case, and a wide partnership of councils, businesses and voluntary organisations is working together and hoping for the best. We know that we meet the criteria and we can demonstrate that we have the networks and partnerships to maximise the opportunities that objective 2 designation will bring.

We would like a hint that we are moving in the right direction, that the Government recognise that there are structural problems behind the marketing image that we create to attract visitors to our area, and that assistance is at long last on the way.

1.12 pm

The Minister for the Regions, Regeneration and Planning (Mr. Richard Caborn): I thank the hon. Member for Torbay (Mr. Sanders) for securing this debate. We are trying to bring more sense to the way in which we spend public funds in the English regions and to consider more strategically all the elements that need to be put together to tackle the problems in areas such as his, which, as he says, I visited a few months ago. The regional development agencies have a role to play in advising Government on the disbursement of the single regeneration budget, on the development of our assisted areas map and regional selective assistance, and on the structural funds.

We are genuinely trying not only to formulate joined-up policies for the regions but to get joined-up money to implement them. The representations of the RDAs have made this an interesting period.

Mrs. Linda Gilroy (Plymouth, Sutton): I congratulate the hon. Member for Torbay (Mr. Sanders). This debate is as important to my constituents as it is to his.

The difficulties of the economy in Plymouth are deep-seated. Is my right hon. Friend saying that we will be able to tackle the disparities through that joined-up thinking? The Treasury's public expenditure statistical analysis shows that the south-west is among the three regions receiving the least identified general Government expenditure. As he probably knows, in 1996–97 Scotland got £4,756 per head; Wales £4,553; the north-east £4,235; and London £4,601. By contrast, the south-west got only £3,651, or a whole £1,000 per resident less than Scotland. I hope that we will be able to begin to redress that, and the importance of objective 2 in that respect cannot be overstated.

Mr. Caborn: I cannot answer directly, because I do not know the composition of all the figures, but my hon. Friend makes a telling point.

We must take a strategic approach, and land use and transport planning are major parts of that. I hope that when the examination in public for the regional planning guidance for the area takes place we will be able to factor in some of the problems. One of the RDA's first actions was to underline its support for the extension of the runway at Plymouth airport: a decision clearly taken with an economic as well as an integrated transport perspective.

The hon. Member for Torbay eloquently put the case for his area and for Plymouth. As the Minister with responsibility for the English regions, I welcome the opportunity to reply to the points that have been made.

At the Berlin summit in March, my right hon. Friend the Prime Minister secured a very good deal on European funding for the regions in Britain, and many areas of the United Kingdom will benefit from funding for economic development and regeneration over the next seven years. We have always accepted the need for member states to take cuts in the size of their population covered by the funds to make enlargement affordable—that has been generally agreed in the House—but the cuts have to be fair. We are pleased to say that we have negotiated an outcome that we believe to be fair and affordable for all future and existing member states, including the United Kingdom.

Figures released by the Commission on 1 July confirm that the UK got a good deal at Berlin. UK regions will get funding of more than £10 billion for 2000-06 for economic development and regeneration. That funding will be good for jobs and investment in the regions. Money will be spent on projects involving business support, education, transport and the environment. We aim to target the support directly to the UK's neediest areas.

That deal shows the Government's commitment to maximising the benefits of European Union membership for the people of Britain.

Mr. Steen: As the Minister probably knows, a third of Torbay is in my constituency.

Mr. Sanders: A quarter.

Mr. Steen: A quarter, is it? I thought a third.

The Minister mentioned the most needy areas. Does he accept that the area under discussion is a needy area?

Mr. Caborn: I shall come to that in a minute.

A unique package of support for Northern Ireland was secured at Berlin, as well as a special deal for the highlands and islands; both areas will continue to receive generous support of about £1 billion in total. Cornwall, West Wales and the Valleys, and South Yorkshire—my area—will receive objective 1 funding for the first time, and Merseyside will continue to be eligible.

It is not a great accolade to get objective 1. I think that I said that when I was in Cornwall. We do not aim for objective 1 or 2. We want to be at the top of the wealth creation league in Europe. That is what we have to strive for. I hope that, if I still have this job in seven years' time, I will not have to read out a catalogue of areas that have got objective 1 or 2 funding.

Mr. Burnett: The Minister is making a powerful point about market forces, but does he concede that, in our part of the world, there are, rightly, significant planning constraints, and that objective 2 would help us to get the seed corn investment in jobs that we so urgently require?

Mr. Caborn: I take that point, and it is why we are in the process of modernising the planning system. I have explained our new planning guidance on housing to the House several times, and have just done so to the Select Committee on the Environment, Transport and Regional Affairs. When I was in the Torbay area a few months ago, 350 workers had just been made redundant at Nortel. However, I spoke to the firm yesterday and was told that 500 people have been taken on to work in a new development. The Government want to assist wealth creation by business, through transport, land-use planning, and the economic benefits stemming from the regional development agencies.

Perhaps the most notable success in the Berlin summit discussions on the structural funds was to secure the two thirds safety net for most UK regions. Given the cuts in funding coverage, the safety net will be of significant benefit to the UK, as it will maintain two thirds of the existing population coverage under objectives 2 and 5b, which have been amalgamated. The original plans were not fair, and we had to negotiate hard to secure the safety net, which means that about 13.8 million people—rather than the 6.5 million originally proposed—will be covered between 2000 to 2006 under objective 2. That shows the extent of the Prime Minister's success in the negotiations.

On 30 March, the Government issued a public consultation paper, announced to the House by my hon. Friend the Minister for Small Firms, Trade and Industry, to determine eligible areas for objective 2 funding. My hon. Friend invited interested parties to submit their views on possible eligible areas, as well as comments on preferred geographical areas—the NUTS areas to be covered—and outlines of the criteria that might be used to determine eligible areas.

That consultation ended on 25 May. More than 360 submissions were received from a wide range of individuals and organisations—indeed, 41 Members of Parliament wrote in support of their constituencies. I am very aware of the importance of the structural funds to the regions, as underlined by the response.

My hon. Friend and I have seen an enormous number of delegations over the past few months. As I said earlier, I have met the RDAs and representatives from each of the regional and local partnerships to discuss their objective 2

[Mr. Caborn]

proposals. That has all contributed to the process of drawing together priorities for the proposed areas. The work of the RDAs has been a significant contribution to what has been a mature discussion in Whitehall about dispensing public funds, and I am grateful for it.

We also need to bear in mind the fact that this is just one of a range of instruments to address need at regional and local level. The Government are committed to providing a strategic and co-ordinated approach to tackling need, however it is manifested. That means matching the instrument appropriately to need.

During my meetings with regional delegations, I have emphasised the need to ensure that their objective 2 proposals are inclusive of other forms of funding, such as the single regeneration budget and the new deal for communities. The structural funds should be part of a funding package for the next seven years, led by the regional economic strategy. It is unfortunate that the RDAs will not produce their economic strategies until the end of the year, but they became operational only on 1 April. However, the RDAs' emerging economic strategies have contributed to their thinking, and they have been able to factor some of that thinking into their representations to Government about how the regeneration funds should be dispensed.

My Department, in consultation with the Department of Trade and Industry and other Departments, is now looking at the criteria and areas for funding based on local and regional representations, to help draw up the UK's list of areas eligible for objective 2 status, with a view to submission to the European Commission in the summer.

However, I stress that no decisions have been made yet. All areas will be considered equally for inclusion on the basis of need and against objective criteria, whether they are industrial, rural, urban or fisheries areas. The Commission's proposed breakdown of percentage covered by each strand—10 per cent. for industrial areas, 5 per cent. for rural areas, 2 per cent. for urban areas and 1 per cent. for fisheries areas—is indicative at EU level, not at member state level.

The Commission's definitive position is not yet known. It has released the amounts of money involved, but it has not yet clarified the criteria. We are waiting for that clari[illegible] and we shall start work on the various maps as so[illegible]ve get it.

Mr. Sanders: Does the Commission have to make that decision before any announcement of which areas qualify can be made? Will the Minister say who will make the decision, and how? Will it be made known first to the House?

Mr. Caborn: I would hope that the announcement will be made to the House, but of course that cannot happen if the House has risen for the summer recess. As soon as we get the information from the Commission—and we hope that that will be sooner rather than later—we will make the announcement, but the timing is not altogether in our gift. I hope that the Commission can be hurried up a little, but we shall have to wait and see.

Discussions will take place with the Commission after we submit our proposed areas to it. We expect that agreement will be forthcoming in the autumn. An announcement will be made of those areas that we propose to the Commission for eligibility under objective 2.

As I said, areas losing full objective 2 and 5b status will receive continued funding, at a reduced rate. They will have the flexibility to profile spending across the six years of transition that we have negotiated. The transition fund will be worth about £450 million, and will ensure continued funding for many areas that currently benefit from the structural funds.

I am sure that all hon. Members welcome objective 1 status for Cornwall. I hope that the county uses this unique opportunity effectively.

Ms Atherton: May I take this opportunity to thank my right hon. Friend, on behalf of the people of Cornwall? I know that they are universally grateful for the work that he has done to secure objective 1 status for the county.

Mr. Caborn: I thank my hon. Friend, and can tell her that I shall be going to Cornwall for my holidays this summer, as I have done for the past 15 years. When the beauties of Torquay and Torbay were described earlier, I was reminded of my honeymoon, which was spent in Torquay. I have fond memories of the area.

Cornwall will receive about £315 million over seven years from 2000, which will go towards the regeneration of its infrastructure and economy. That will be a much needed and welcome boost for the area.

I referred earlier to my meetings with delegations from the regions. During my meeting in May with the south-west delegation, led by Jill Barrow, chief executive of the RDA, we discussed, among other things, the case for Torbay and Plymouth's eligibility for objective 2 status. As I said, well before that meeting I had visited Torbay in October 1998, at the invitation of the hon. Member for Torbay. I was made very much aware then of the importance of gaining objective 2 status for the economic and social regeneration of the area.

I have taken note of what has been said in the debate, and of the powerful case that has been made for objective 2 status for the Plymouth and Torbay area. As I have said, the Government have not yet finalised their proposals for the new map.

Mr. Steen: Does the Minister accept that Torbay is a needy area and requires objective 2 status?

Mr. Caborn: The representations made on behalf of the area have placed it in its rightful position in terms of the needs of the south-west as a whole.

Mr. Steen: It is not what it was on the Minister's honeymoon.

Mr. Caborn: That is true, but we shall consider the whole picture. I therefore cannot predict the outcome of the consultation for any area, and it would be wrong to try. We have been objective and transparent in the way that we have considered the wider issues of regeneration, beyond the structural funds. However, I can assure the hon. Member for Torbay that the case for Plymouth and Torbay—as for all areas in the UK—is being carefully considered.

Gas Industry (Regulation)

1.29 pm

Mr. Barry Gardiner (Brent, North): It is just over a year since I first had occasion to bring to the attention of the House the bullying and anti-competitive practices of Transco, a division of BG plc. I cannot decide whether my hon. Friend the Minister for Energy and Industry is more likely to begin his remarks by saying, "We must stop meeting like this," or with the somewhat less comradely, "Oh no, not you again." In the hope that it will be the former, let me start by bearing some good news.

Two weeks ago, I had the pleasure to stand with my constituent, Mr. Andrew Duffield, outside the High Court, where his solicitors had read a statement in open court announcing that BG plc had made an out-of-court settlement of £101,000 plus costs to Mr. Duffield and to his company, EGS—Exoteric Gas Solutions—in respect of the libel perpetrated against that company, which I had brought to the Minister's attention in last year's debate. That is indeed good news. I take the opportunity to thank him for his close and continuing interest in the case. But for his interest, BG plc might have taken even longer to capitulate. BG plc has deep pockets and it is hard for any impartial observer to do other than believe that it attempted to use its huge financial resources to bully a fledgling business into submission by forcing EGS to incur massive legal costs before settlement of the case.

If all I had to report were good news, however, I would not have presumed to detain the House this afternoon. In fact, I will expose lies and prevarication at the highest level in BG plc and Transco, and what must either be incompetence or a shameless lack of resolve on the part of the supposed regulator in the industry, the Office of Gas Supply.

Beneath all that, I will show that Transco's illegal and anti-competitive practices continue unabated, despite an enforcement order that was issued by Ofgas. Most disturbing of all, I will provide evidence that public safety has been jeopardised by Transco's change in response-time targets and in procedures for handling uncontrolled gas escapes.

I must provide the House with some background. The Gas Act 1986, which was amended in 1995, introduced competition to the business of connecting premises to the mains gas network. Previously, the market had been a monopoly controlled by British Gas-Transco.

In January 1997, Mr. Duffield, who had been a senior manager at Transco, left to set up a specialist gas connection company, EGS, to compete against Transco. Under the Gas Act, Transco is charged with custodianship of the gas mains network and all competitors such as EGS must apply to it for a quotation for the final-stage connection of any new development.

Without that information, EGS cannot provide an accurate quotation to the end customer for the cost of the scheme. For that reason, Transco has a statutory obligation not to abuse its position by delaying a quotation to its competitor to advantage its connections team, which is competing for the direct business. Nor may it over-quote for the final connection to EGS in order to raise the price quoted by EGS to the end customer, thereby making its bid uncompetitive.

It was those statutory obligations that I accused BG plc of ignoring in the debate of 9 June last year. I have a copy of a letter from Mr. Richard Giordano, chairman of BG plc, to Mr. Duffield dated 24 June 1998. It says:

"I am fully aware of the statements made by Mr. Gardiner M.P. at the Adjournment debate in the House of Commons having received a full transcript from Hansard of the debate including the Minister's reply. BG plc is furnishing the Minister with a statement on the main issues that were raised, a copy of which will be passed to you."

That was a lie. Despite three reminder letters, no such statement was ever passed to Mr. Duffield.

I have a copy of an affidavit sworn by Mr. Christopher Lefevre, a director of Transco, in which he deals with the circumstances surrounding the production of the libellous e-mail, the same e-mail in respect of which BG plc has had to pay £101,000 plus costs. That e-mail was headed:

"BG plc Transco Memorandum from the Area Directors to all Managers of District Operations."

In the affidavit, Mr. Lefevre recalls that

"Phil Nolan, who was then Area Director for East Area, assumed the role of acting Area Director for South Area."

Thus, Mr. Nolan, in two capacities, can be said to have sent the e-mail that was from all the area directors.

More than that, in the affidavit, Mr. Lefevre recalls that

"Phil Nolan asked me to deal with a letter sent by OFGAS".

He continues:

"I had a general discussion about the issue with David Ashbourne, the Manager of Legal Services and decided to issue the e-mail of 27 March 1997 instructing staff not to deal with the Plaintiffs"—

that is, EGS.

On 1 September 1997, the same Phil Nolan wrote to Mr. Duffield specifically to confirm:

"I have issued no such instruction and there are no such instructions to that effect in place."

That, too, is a lie. Phil Nolan has since been promoted to become managing director of Transco. Like the chairman of BG plc, Mr. Giordano, he remains in post.

The Minister is aware that, in February, Ofgas finally issued a decision document relating to its investigation of Transco. The document concluded that

"there have been unacceptable delays in Transco's quotations for connections, that there has been overcharging and that Transco's behaviour is anti-competitive".

It goes on to say:

"There is a likelihood of continuing breaches, if action is not taken",

and states unequivocally that

"information provided by Transco in the course of the investigation has proved to be untrue".

At last we have some tough talk from the regulator. It is two years too late perhaps, but, despite the fact that Ofgas stubbornly refuses to interpret the Gas Act as allowing it to punish past action, at least it insists on compliance with statute and the introduction of a system of compensation for any future breaches. The order states:

"The scheme shall provide as a minimum for payments to be made in such amounts in such circumstances and on such terms as are provided in Attachment 2 to this order."

[Mr. Barry Gardiner]

Let us examine attachment 2, which deals with claims for compensation. Paragraph 7, subsection (ii) provides that:

"If, before the expiry of five working days from the submission of the claim the quotation is adjusted by Transco so that the reason why it was thought to be excessive has been addressed to the reasonable satisfaction of the person who submitted the claim no compensation shall be payable by Transco".

That may not pass the crystal clear standard of plain English, but the effect is devastating. It means that Transco has every incentive to continue overcharging in the certain knowledge that, even if it is caught out, all it will need to do is agree to reduce the charge to the proper level within five working days. It will then not have to pay any compensation at all—not even the client's costs of showing that it has overcharged. That is not regulation, but a fraudster's charter.

The case of Mrs. Moyies provides an example of Transco's racketeering and of Ofgas's total ineffectiveness as a regulator. She lived in an area of Cumbernauld that was not supplied from the gas mains. She obtained a quote from Transco to have her home connected at a cost of £2,730.17, an exorbitant sum, but she calculated that, within three years, the savings on her Calor gas bills would have recouped that enormous investment. She borrowed the money and got connected by Transco.

Over the next few weeks, Mrs. Moyies's supply was cut off by Transco as it connected neighbouring properties. Those were connected for £146 per house. When she complained, her Member of Parliament, my hon. Friend the Member for Cumbernauld and Kilsyth (Mrs. McKenna), who is my good friend, took up her case and brought it to the attention of Ofgas and the Gas Consumers Council. Transco insisted that the charge was correct. Mrs. Moyies had to pay for the extension of the mains and it was then permissible for Transco to spur off that extension to neighbouring properties. Neither Ofgas nor the Gas Consumers Council had the expertise to show that Transco had overcharged.

Fortunately for Mrs. Moyies, Mr. Duffield heard of the case on Radio 4's "You and Yours" programme. He was able to demonstrate that Transco had overcharged by 120 per cent. Mrs. Moyies's bill was reduced from £2,730.17 to £1,231.14. Transco had overcharged in accordance with its own statement of charges, which it published and which were provided to the Director General of Ofgas herself.

In a letter of 5 May 1999, some six months after the original complaint to Ofgas, Mr. Graham Boorer, gas distribution engineer of Ofgas, wrote:

"Transco accepts that the charge was not in accordance with its Condition 5 charging methodology and that it overcharged for the connection."

What did Ofgas do? It looked carefully at condition 5 paragraph (7) of the Department of Trade and Industry's standard conditions of public gas transporters' licences, which states:

"Where a statement in respect of the determination of such charges as are mentioned in paragraph (3) has been furnished to the Director under paragraph (3) or (4) then unless and until it has been superseded by a subsequent statement under paragraph (4), the licensee shall not make such a charge or agree or offer to make such a charge as is so mentioned other than the one determined in accordance with the methods and principles shown therein, unless the Director otherwise consents."

Transco made a charge other than the one determined in accordance with the methods and principles shown therein. This was Transco's own statement of charges as mentioned in paragraph (3), which provides:

"The licensee shall comply with any directions given by the Director to furnish him with a statement showing the methods by which, and the principles on which"

such charges are to be made.

Ofgas argued that although the statement had been sent by Transco to the Director General of Ofgas, although Transco had published and accepted it as its basis of charging and although it accepted that it had contravened that statement and overcharged Mrs. Moyies, Ofgas could do nothing because the director general had never asked for the statement as per paragraph (3). Of course she had not done so. One does not ask for something that one already has. Ofgas is supposed to be the rottweiler regulating the industry. In fact, it is the industry's lap dog, or more accurately, it is Transco's.

The Ofgas connections steering group has collected statistics from Transco itself, which show that out of 77 responses to inquiries during September and October last year only 57 per cent. were within Transco's own standards. That record is appalling enough, but the strange thing is that it improves so dramatically—to 86 per cent. within standard—if one excludes responses to Mr. Duffield's company EGS.

Only 21 per cent., or one in five, of Transco's responses to EGS were within standard. An objective observer might regard that as clear evidence of blatant discrimination against EGS. Ofgas continues to regard those responses as a series of isolated and unconnected mistakes on the part of Transco.

In a letter dated 25 February 1999, Mr. William Sprigge, Ofgas's legal counsel agrees that:

"BG has on occasions treated EGS differently to other businesses requesting quotations."

However, he is quick to add:

"Whether this has been deliberate is uncertain. We therefore cannot say that BG has not deliberately treated EGS differently to other businesses requesting quotations; nor can we say that it has."

For such a shameless display of fence-sitting, I simply express the wish that all Mr. Sprigge's fences be henceforth topped with razor wire.

Finally, I must make good my claim that there is evidence that Transco has prejudiced public safety by its changes to the procedures for handling gas escapes and the reduction in response time targets for such incidents. Prior to the establishment of Transco in 1994, BG responded to more than 99.99 per cent. of uncontrolled gas escapes within one hour. Since Transco took over, its performance has fluctuated between 97 per cent. and 92 per cent. Given that there are more than 1 million calls a year, that means there are tens of thousands of occasions on which the public has been exposed to a significant danger for longer than would have been the case under the old British Gas company.

In May 1997, Mr. David Varney, BG plc's chief executive, wrote following a challenge at the company's annual general meeting that:

"concerning the figure of 96 per cent. performance against the applicable regulatory standard of attending uncontrolled gas escapes within one hour, the information, as best we know it, is accurate . . .

In terms of your query as to the former standard of 99 per cent. within one hour, I confirm that we are working to improve performance in this area. However, we are not in a position to disclose information relating to the 1997 target at this time."

Changes in response times are not the only adverse changes in safety standards that Transco has introduced. New working practices mean that teams attending uncontrolled gas escapes are often unsupervised. In some cases, the line manager is 100 miles away and yet different workers at the site believe that other members of their team have a supervisory role, which they do not.

I ask the Minister to raise those matters with the Health and Safety Executive and to establish what percentage of responses Transco currently meets within one hour, its current target response figure and the steps that it has taken to ensure proper supervision at the site of uncontrolled escapes and clarity and responsibility among the teams attending.

I said what steps Transco "has taken" because the safety issue is not new to Transco. Indeed, a report was prepared for the area directors of Transco in December 1996 by a senior manager who had particular expertise in the investigation of incidents and the formulation of policies and procedures to minimise the risk of further escapes. That investigation revealed that safety standards had fallen substantially from those inherited in 1994. In particular, the investigation revealed that procedures developed in response to previous incidents had lapsed into disuse. A serious question was raised about whether a single one of Transco's directors possessed the necessary skills and operational experience to carry out the proper review of incident trends.

The original draft of that report caused such a stir that its commissioner, Mr. Lefevre, phoned its author, who was buying a sandwich in his lunch hour. On answering his mobile phone in the supermarket, the author was curtly asked to destroy the report. He refused to do so, but eventually agreed to modify some of the language contained in it. The author of that report, which caused such embarrassment and disquiet to Transco, was of course Mr. Andrew Duffield who had been assigned that as a final project before his departure to set up EGS.

Some people might venture that the extraordinarily poor service that EGS has received from Transco in the past two years—the constant delays in quotation, habitual overcharging, and the refusal to pay the prescribed penalties for statutory breach even where it is admitted that they are due—has been in no small way related to the embarrassment that Transco felt at Mr. Duffield's report on its company safety.

Be that as it may, the fact that Ofgas has either not possessed, or failed to apply, powers to protect Mr. Duffield is just as serious. It must be the concern of all hon. Members that assurances are sought and received from Transco about public safety, that anti-competitive behaviour in the industry is eradicated and that Ofgas begins to take seriously its role in regulating that industry and protecting consumers such as Mrs. Moyies and companies such as EGS.

1.50 pm

The Minister for Energy and Industry (Mr. John Battle): I thank my hon. Friend the Member for Brent, North (Mr. Gardiner) for raising this matter again and for securing this debate. I welcome the debate; he should not apologise for returning to the matter. It is the role of us all as Members of Parliament to persist in drawing attention to injustices and flaws in the structure of our laws and budgets. He has done so assiduously. He has raised serious matters on behalf of his constituent.

Although the Government do not run energy industries—all the companies operate privately in the marketplace—the gas and electricity industries are subject to competition regulation, to tackle both abusive market power and anti-competitive market practices. The independent regulator—there is now one regulator for the gas and electricity industries—operates within the relevant Acts of Parliament.

When we came into office in 1997, we inherited the Gas Act 1995 and the Electricity Act 1989, which set out the parameters for activities. We decided that, although they were okay as far as they went, they were flawed. We are updating them, and, when we have an opportunity, we shall change them through primary legislation. Indeed, we have already acted to change the terms of operation under the licence conditions.

My hon. Friend asked some detailed questions about the interpretation of conditions of standard. If I cannot reply now to all his points, I shall ensure that he receives a detailed response in a follow-up letter.

The gas and electricity industries occupy a crucial position in the United Kingdom economy, accounting for 2 per cent. of the gross domestic product. They provide essential services to millions of people. Our intention is to ensure that consumers come first and that the regulatory regime reflects that. We accept that the system is far from perfect and have already implemented a better and fairer one, which re-emphasises the consumer.

We issued a Green Paper on the regulation of utilities last spring, which laid the foundations for a better and more efficient regulatory system. We proposed to improve and align gas and electricity regulation under a single energy regulator, to separate electricity distribution and supply, and to provide a new basis for delivering policies to encourage energy efficiency and generation from renewable sources.

In response to our consultation in July 1998, we announced the intention to merge the Office of Electricity Regulation and the Office of Gas Supply. They now fall under a single energy regulator in one body. We also announced that the new regulator should organise the appropriate structure in which all energy industries are regulated. We have made a fresh start, with the appointment of one person to the posts of Director General of Gas Supply and Director General of Electricity Regulation—not least because electricity companies are now selling gas, and gas companies are now selling electricity.

Such a structure needs to be reinforced by law, and, when parliamentary time allows, we shall align the regimes of electricity and gas regulation, which were out of sync under the legislation that we inherited.

We have also taken action to change the rules when they do not work immediately in favour of the customer. As a result of complaints that I as a Minister and many other hon. Members have received about door-step selling, we inserted a marketing clause into the gas suppliers' licence to challenge bad practices and improve them. We intend to use the proposed utilities Bill to sort out regulation at the earliest opportunity.

[Mr. John Battle]

My hon. Friend has pursued the case of Exoteric Gas Solutions with me and my Department. We have had many meetings and much correspondence on the issue, which was raised in the House in June last year. Following his constituent's complaint, the Office of Gas and Electricity Markets—Ofgem—carried out a thorough investigation into Transco's connections business, and found Transco to be in breach of standard condition 11(1) of its licence and section 9(2) of the Gas Act.

Ofgem consequently made an enforcement order against Transco, requiring it to introduce systems for handling quotations for connections to its pipeline system and to achieve the International Standard Organisation 9001 standard for the systems. Transco also had to introduce a liability scheme for failures to meet standards of service. Ofgas, as it was then, imposed the enforcement order on Transco on—I think—19 February, so things have moved on significantly since last June.

To be in breach of an enforcement order is a serious matter. It is the first time that such an order has been made against Transco. It takes the form of a public notice and the company must take responsibility for it. I know that Transco is taking it very seriously.

I thank my hon. Friend for drawing my attention to the particular case of Mrs. Moyies's connection. I cannot answer it in detail in the House, but I will ask for a thorough investigation of the practice in order to draw out implications for the structure of the entire connections industry.

My hon. Friend mentioned that legislation allows the Director General of Gas Supply to make provision in a final enforcement order for a monetary penalty. In addition, if an enforcement order is made and not complied with, the legislation confers the right of action on persons who suffer loss or damage as a result of that non-compliance, subject to certain defences.

That describes the situation under the regulatory regime that we inherited from the previous Administration. We are considering those arrangements very carefully to see whether improvements can be made for future cases of alleged breach of licence conditions. It may be possible to give the regulator powers to impose monetary penalties that are proportionate to the circumstances for past as well as continuing breaches of licence conditions. I know that that is what my hon. Friend has consistently and persistently campaigned for, and I hope that we can give him some solace in the not too distant future.

Mrs. Linda Gilroy (Plymouth, Sutton): I congratulate my hon. Friend the Member for Brent, North (Mr. Gardiner) on bringing this important matter before the House and particularly on highlighting the lack of expertise available to assist consumers in pursuing such issues. In the forthcoming utilities Bill, for which we hope, and the follow-up to the review, will my hon. Friend the Minister ensure that the Gas Consumers Council or its successor body has the resources to make such expertise available?

Mr. Battle: My hon. Friend makes an excellent point. She has championed energy consumer councils in her time in the House. In the revised regulation that we hope to introduce under the utilities Bill in the not too distant future, we hope to give consumers a much strengthened voice through the consumer councils. As she said, that means that they ought to have the resources to enable them to do the job well and properly.

I should mention the important question of safety, which is paramount. Under the licence condition, which is tighter than the general condition, a response must be made within one or two hours. I should emphasise that the National Audit Office, a body entirely independent of the Government, published a report on competition in the domestic market on 12 May, and some of its headline points were encouraging.

As we know, prices are down; all suppliers are offering lower tariffs. Customers have a choice; 26 companies are active in the domestic market. Crucially, safety has been maintained and the quality of service to customers has on the whole improved. I shall keep a close eye on safety, although the NAO's report was encouraging and I was heartened by the fact that it was, in the main, so positive.

On the downside, the report pointed out that many customers do not have sufficient knowledge of changing structures. There has been a maelstrom of change since the days of one nationalised gas company. Companies have proliferated, with new entrants to the marketplace as well as the separation of former nationalised industries. People do not know how much the market has changed or know what to expect. It is all right saying that they all have choice, but if they do not know of what, life is made incredibly difficult. There have been complaints of poor selling techniques and lack of information on what to expect. That in turn can drag down quality and performance. I am determined that that shall not happen, and I am sure that the regulator cannot tolerate it either.

I shall look in detail at all the points that my hon. Friend the Member for Brent, North has made. We must consider how we shape the market's regulatory structure for the future. That is precisely the point of our White Paper—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order.

It being Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Sitting suspended, pursuant to Standing Order No. 10 (Wednesday sittings), till half-past Two o'clock.

Oral Answers to Questions

WALES

The Secretary of State was asked—

Tourism

1. **Mr. Michael Fabricant** (Lichfield): If he will make a statement on the state of tourism in Wales, with particular reference to raising standards of bed-and-breakfast accommodation. [88521]

The Parliamentary Under-Secretary of State for Wales (Mr. Peter Hain): I had responsibility for this matter until 1 July. In difficult circumstances, the industry in Wales has performed well. We have allocated an additional £1 million to the Wales tourist board. Quality standards in the bed-and-breakfast sector—

Madam Speaker: Order. The Minister said that he had responsibility until 1 July. It is 7 July. Is it not a devolved matter?

Mr. Hain: I understand that, Madam Speaker. I was just explaining that it is a devolved matter, but I was talking about what had gone on until 1 July.

Madam Speaker: Yes, but if it is a devolved matter, we must pass on.

Mr. Hain: It is indeed, from 1 July.

Madam Speaker: Thank you.

Welsh Legislation

2. **Mr. Dafydd Wigley** (Caernarfon): What plans he has to introduce amendments to legislation dealing specifically with the needs of Wales with regard to *(a)* the Government of Wales Act 1998, *(b)* the Local Government (Wales) Act 1994, and *(c)* the Welsh Language Act 1993; and if he will make a statement. [88522]

The Secretary of State for Wales (Mr. Alun Michael): None.

Mr. Wigley: I believe that this is not a devolved matter. I thank the Secretary of State, who also doubles up as First Secretary, for that comprehensive answer. Does he agree that there will be times when legislation to deal with Wales alone, such as the three Acts referred to in the question, will need amendment—perhaps relatively minor amendment—to enable the Assembly to undertake its work and to allow other activities in Wales to go forward? Does he agree that it would be helpful to have a fast-track procedure to deal with such legislation? Is he involved in discussions about the possibility of the Welsh Grand Committee being reinvented to enable such relatively small changes to go forward?

Mr. Michael: The Assembly is free to ask the UK Government to amend primary legislation. In another place, the right hon. Gentleman and I might well discuss where it was appropriate for those requests to be made. If the Government agreed, the Secretary of State for Wales would steer the amendments through Parliament. It is for this House to decide how it would deal with such matters. I am sure that the appropriate authorities understand the right hon. Gentleman's point and will consider it.

Mr. Llew Smith (Blaenau Gwent): My right hon. Friend's predecessor as Secretary of State for Wales said that we needed a Welsh Assembly because Wales was increasingly run by quangos. I was not a great supporter of the Welsh Assembly, but I am certainly opposed to quangos. The previous Secretary of State also gave a commitment to end the quango state in Wales and make a bonfire of the quangos. Will the present Secretary of State give us a date when the commitment will be met and the bonfire will happen so that we can all attend?

Mr. Michael: My hon. Friend should attend regularly as we remove quangos. The Cardiff Bay development corporation will wind up its affairs by the end of March next year. A number of organisations, have already been folded. It is important that the Assembly is taking on its responsibilities. During the Assembly's short time in being, a lot of which has been devoted to preparing the ground for future action, Members of the Assembly and the Assembly Cabinet have been engaging with the policies and activities that have previously been the responsibility of quangos. The underlying trend of my hon. Friend's question is being pursued.

Mr. Nigel Evans (Ribble Valley): As the Secretary of State has said, the National Assembly for Wales has been running effectively for only a week. It is no surprise that the nationalists are looking, under the Government of Wales Act 1998, for further transfers of power. Will the Secretary of State give a commitment to the House of Commons and to the people of Wales that there will be no more transfers of powers from Westminster to Wales, particularly tax-raising powers, until the people of Wales have been given their say in a referendum?

Mr. Michael: The hon. Gentleman raises an interesting point. He attacked the nationalists for wanting to go further, but his party did not want to go anywhere and has made a sad lack of contribution to date. The job of the National Assembly is to make the current devolution settlement work. It is good settlement, which provides an opportunity for those who have been elected to the Assembly by the people of Wales to bring accountability and creativity to bear on policies directly affecting Wales. That is what is happening in Cardiff bay now.

Beef Industry

3. **Ms Jackie Lawrence** (Preseli Pembrokeshire): When he next intends to meet the Assembly Secretary responsible for agricultural issues to discuss problems in the beef industry. [88524]

The Secretary of State for Wales (Mr. Alun Michael): This is a matter for the National Assembly for Wales, but I am delighted to see that Christine Gwyther,

as the Assembly Secretary with responsibility for agriculture and the rural economy, has taken up her duties with such strength, integrity and determination.

Madam Speaker: Order. If the Minister announces that it is a matter for the National Assembly for Wales, I cannot allow the House to trespass on those responsibilities. *[Interruption.]* If the Minister tells me that it is a matter for the Assembly, it cannot be a matter for the House, correct?

Mr. Michael: Correct.

Abattoirs

4. **Mr. Desmond Swayne** (New Forest, West): What representations he has received regarding the number of European Union export approved abattoirs in Wales. [88525]

The Parliamentary Under-Secretary of State for Wales (Mr. Jon Owen Jones): None.

Mr. Swayne: Will the Minister undertake to launch an investigation into the administrative and regulatory burdens that are faced by abattoirs in Wales as compared with the rest of the European Union? Will he undertake to publish the findings of those studies? Can he assure the House that the studies will be carried out by impartial and proper sources, not vegetarians?

Mr. Jones: This is a matter for my right hon. Friend the Minister of Agriculture, Fisheries and Food, or, in Wales, for the National Assembly.

Madam Speaker: Order. In that case, it is a matter for the Welsh Assembly. It cannot be the responsibility of both this House and the Assembly.

Mr. Ted Rowlands (Merthyr Tydfil and Rhymney): On a point of order, Madam Speaker.

Madam Speaker: I cannot take points of order in the middle of Question Time. Once we break our rules, there will be no end to it.

NHS Funding

5. **Miss Julie Kirkbride** (Bromsgrove): When he last met the Assembly Secretary with responsibility for health to discuss the funding of the NHS in Wales. [88526]

The Secretary of State for Wales (Mr. Alun Michael): I am delighted to see that devolution is working through in the way that Jane Hutt has taken up her role as Health Secretary in the Assembly. She is one of four women appointed to the Assembly Cabinet. This is already making a significant impact on the serious problems of the NHS in Wales, which is in a parlous state owing to the incompetence of the last Government. The Assembly will make a significant impact towards improving that situation.

Miss Kirkbride: I am delighted to see that, after the farce we have just experienced, the national health service is still a matter for this House. According to the Secretary of State's answer, the Government still have responsibility and they have a great deal to answer for when it comes to the NHS in Wales. The Secretary of State will be aware that, on 31 March 1997, the waiting list for the waiting list—people diagnosed by their general practitioner as needing treatment and waiting to see a consultant to be put on an official waiting list—was 5,956 in the Principality. By 31 May 1999, 26,094 people were waiting for their initial hospital appointment. That is an increase of 400 per cent. as a result of the Government's policies for the health of the people in Wales. Is it not time that the Government admitted that, under Labour, the health service is getting worse?

Mr. Michael: The hon. Lady clearly does not understand the damage done by the previous Conservative Government, for which she and her hon. Friends should apologise. The hon. Lady also does not understand that these matters are now the responsibility of the National Assembly, which is seeking to tackle them.

Mr. Win Griffiths (Bridgend): Will my right hon. Friend remind me whether the amount of money spent on the health service has increased substantially ahead of inflation? Is anything being done about the burden of debt that faced the health service before 1997 and which it is taking so much time to get grips with?

Mr. Michael: My hon. Friend is absolutely right. In the period up to 1 July, strenuous efforts were made to prepare the ground for the Assembly's taking over the NHS in Wales and to enable it to tackle precisely the problems my hon. Friend raises. A stocktake that I set in motion will be available to the Assembly as it takes up its functions, to inform it as it tries to improve the parlous situation that he describes.

Mr. Nigel Evans (Ribble Valley): Today, it would seem that the Secretary of State for Wales is hardly responsible for anything to do with Wales. Welsh questions will increasingly become a laughing stock if that is allowed to continue. However, the right hon. Gentleman is responsible for the total block grant out of which health spending comes, so perhaps he can say whether he believes sufficient resources are being spent on the NHS in Wales.

The Secretary of State knows that waiting lists for admission to hospital are getting longer and that each extra person waiting means stress and pain for those involved. On 16 June, David Davies, an Assembly Member, wrote to the right hon. Gentleman about a Newport man who has been told by his consultant that he needs a quadruple heart bypass and that he could die within six months. The man is now on a 10 to 12-month waiting list for an operation at Morriston hospital, Swansea. What will the Secretary of State do? What action will he take to ensure that that life-saving operation is carried out as soon as possible? Is it not time that the Government woke up to the fact that it is waiting times that are important, not merely waiting lists?

Mr. Michael: It is the hon. Gentleman who is a laughing stock—his synthetic anger is pathetic. The Conservative Government failed the NHS in Wales. He is right to say that there is a responsibility on the Secretary

of State to provide resources. Massive additional resources have been provided, but the problem is the state of administration and the financial chaos in which the Conservative Government left the NHS in Wales.

The matters to which the hon. Gentleman refers are not matters for this House, but matters for the Assembly. That is why he quoted an Assembly Member raising the question.

Assisted Area Map

6. **Mr. Barry Jones** (Alyn and Deeside): When he intends to meet Assembly Secretaries to discuss the assisted area map of Wales. [88527]

The Secretary of State for Wales (Mr. Alun Michael): That is a matter for which my right hon. Friend the Secretary of State for Trade and Industry has lead responsibility, but, as Secretary of State for Wales, I was directly involved in those discussions until 30 June. The Assembly Cabinet will take the matter forward with the Secretary of State for Trade and Industry.

Mr. Jones: Is it not the case that my right hon. Friend has discussed those matters with our right hon. Friend the Secretary of State for Trade and Industry? May I persuade him that it is absolutely vital to my constituency that we retain assisted area status and that we have restored to us objective 2 status, which was taken away five years ago by the previous Administration? Does he accept that Airbus, Raytheon and the many companies on Deeside industrial park need to know that, in the years ahead, my constituency will have assisted area status and objective 2 status, so that we can continue to obtain investment—especially investment from abroad—and the grants available to indigenous industry? May I urge my right hon. Friend to ensure that Deeside remains on the assisted area map?

Mr. Michael: My right hon. Friend always makes the best possible case for his constituency. With him, I have visited both Airbus and Raytheon and I am impressed by their work. Through him, I congratulate the workers at Raytheon on their successes in recent weeks. I can certainly confirm that the best possible case for Wales has been made within Government and that Cabinet colleagues, including the Secretary of State for Trade and Industry, have listened carefully and sympathetically.

Mr. Richard Livsey (Brecon and Radnorshire): As we know, this is a matter for the Department of Trade and Industry. In his discussions with the Secretary of State for Trade and Industry, has the Secretary of State for Wales emphasised the importance of obtaining assisted area status for the upper Swansea valley, which has been badly hit by unemployment? Can he give us any idea when an announcement will be made on assisted area status, which would give a much-needed injection to such areas?

Mr. Michael: Both I and the Under-Secretary, my hon. Friend the Member for Neath (Mr. Hain), as junior Minister responsible have done everything possible within the powers of the Welsh Office and in co-operation with other colleagues to ensure that the enormous problems in the upper Swansea valley are understood and that everything possible is done. I cannot say more than I have about the short period that we have to wait before the full details are available, but the hon. Gentleman can be satisfied that we fully understand and share his concerns.

Beef Exports

7. **Mrs. Ann Winterton** (Congleton): When he expects exports of beef products to resume from Wales. [88528]

The Parliamentary Under-Secretary of State for Wales (Mr. Jon Owen Jones): A great deal sooner than would have happened under the previous Government. I am pleased with the progress that our Government have made to date towards achieving the lifting of the beef export ban, but these are matters for the Minister of Agriculture, Fisheries and Food and in future he will involve the National Assembly for Wales in his deliberations.

Mrs. Winterton: Despite the Labour Government's boast about the lifting of the export ban way back in November 1998, no British beef has yet reached the continent. The Government have failed to remove any further barriers set up by the European Union. What discussions has the Minister had with the Agriculture Secretary in Wales and the Minister of Agriculture, Fisheries and Food about the future of the calf processing aid scheme? Does he agree that it is vital that that scheme be extended until the export ban is lifted and beef is exported and until the market has righted itself again?

Mr. Jones: We are very near to persuading the EU finally to allow beef to be exported from this country. We expect the first beef to be exported in the very near future—this summer, I hope. The hon. Lady claims that the Government are not succeeding where her Government lamentably failed. They produced the difficulty in the first place, and I think that she should have some shame.

Ms Jackie Lawrence (Preseli Pembrokeshire): The hon. Member for Congleton (Mrs. Winterton) has asked a question which I hoped to ask under Question 3. In any meeting with the Agriculture Secretary in Wales will the Minister stress the mature and responsible attitude of the National Farmers' Union in Wales, which stated this weekend that any unilateral moves to remove the ban on beef on the bone in Wales could damage the efforts to get the export ban on beef lifted?

Mr. Jones: I endorse my hon. Friend's comments. The NFU has acted extremely responsibly. This is a difficult issue. We are working towards an objective that all the industry would share—the lifting of the export ban.

Mr. Nigel Evans (Ribble Valley): The Minister makes much of the lifting of the ban. He says that he hopes to see exports in the summer. Let us cut the waffle. The Minister knows that the beef farmers will be listening to what he has to say. Not a single carcase of beef has gone abroad from Wales or anywhere in the United Kingdom for that matter. Will the hon. Gentleman give Welsh farmers a date on which the first beef will be slaughtered and exported from Wales to the rest of Europe?

Mr. Jones: The hon. Gentleman asks for a specific date. I recall that when the Labour party was in

opposition, the Conservative Government constantly referred to a date—a November, I believe it was. The lifting of the ban never came and no beef was exported. The Conservative party seems more interested in renegotiating the treaty of Rome than renegotiating the rights of British farmers. The beef ban will be lifted under the Labour Government soon and farmers know that they can trust the Government to act in their interests, while the Conservative party let them down extremely badly.

Concordats

8. **Mr. Ted Rowlands** (Merthyr Tydfil and Rhymney): If he will make a statement on the preparation of concordats between the National Assembly and Whitehall Departments. [88530]

The Secretary of State for Wales (Mr. Alun Michael): The UK Government expect to send a draft memorandum of understanding and related concordats to the Assembly Cabinet shortly for its consideration. These documents will set out administrative arrangements designed to secure the smooth operation of the devolution settlement.

Mr. Rowlands: During the referendum debates, we made a clear commitment to the people of Wales that there would be a Secretary of State for Wales in this House answerable for all oversight matters in Welsh affairs and other Government Departments. Given the shambles that has occurred this afternoon, will my right hon. Friend make it clear that the Secretary of State for Wales will be accountable and answerable in this House for oversight matters in other Government Departments when they relate to Welsh matters?

Mr. Michael: The only shambles this afternoon has been that hon. Members—mainly Opposition Members—have not understood that devolution has taken place and have asked questions on matters that are for the Assembly, and not for this House.

The answer that I gave indicates that concordats will deal with the relationships between Government Departments and the Assembly, and that will provide the necessary clarity. In many cases, it will be a matter for the Assembly and the Secretaries of State with other responsibilities. However, there is an important role for the Secretary of State for Wales and that will continue.

Dr. Julian Lewis (New Forest, East): Is it not a fine state of affairs when a former Welsh Office Minister of the status of the hon. Member for Merthyr Tydfil and Rhymney (Mr. Rowlands) sees fit to describe the present arrangements as a shambles? Does not that only go to show what happens when a Government impose, for ideological reasons, a system that is not wanted by the majority of the people in Wales and which squeaked through by only 6,000 votes in the whole country on a tiny turnout, despite the Prime Minister begging his Labour supporters in Wales to let the proposal go through?

Mr. Michael: That question was asked with the flavour of bitterness, arising from the hon. Gentleman's knowledge that his party was swept away so completely at the general election that it does not have a single representative in Wales. Events this afternoon have demonstrated that the Conservatives have not understood the responsibilities that have been transferred to the National Assembly for Wales, where they are being taken up with vigour. The settlement was not imposed—it was voted on by the people of Wales in a referendum. The hon. Gentleman waving his arms in the Chamber will not change that fact.

Mr. Paul Flynn (Newport, West): When the Secretary of State for Wales next meets the First Secretary of the Welsh Assembly, will he convey the happiness and congratulations of this House on the splendid start made by the National Assembly, which has resulted in growing approval for the idea of devolution in Wales, a new sense of pride and identity in the Welsh nation and, to our great satisfaction, the marginalisation of the Tory party?

Mr. Michael: I thank my hon. Friend for his remarks. I will make sure that they are passed on not just to the First Secretary, but to other Members of the Assembly. His remarks will be appreciated.

Ministerial Duties

9. **Mr. Ian Bruce** (South Dorset): What proportion of his working time is taken up by his duties as Secretary of State for Wales; and how he separates his responsibilities to this House and to the National Assembly. [88531]

The Secretary of State for Wales (Mr. Alun Michael): At the present time, my key priority is to achieve the smooth transition from the previous role of the Secretary of State, as it was until 1 July, to the role of the Secretary of State following devolution on the one hand, and to the role of First Secretary of the National Assembly for Wales on the other hand. In both roles, I serve the interests of this House, the interests of the Assembly and the interests of the people in Wales.

Mr. Bruce: I hope the right hon. Gentleman will not take it amiss if I say that it seems extraordinary that a person can be responsible within Cabinet as Secretary of State and as First Minister, where he has a clear responsibility to the Assembly in Wales. Surely this should not continue constitutionally. Why does not the right hon. Gentleman immediately resign from at least one of those posts?

Mr. Michael: That shows the hon. Gentleman's lack of understanding of the process that we must go through. Obviously, he does not understand the versatility that we are able to demonstrate on this side of the House. I have always said that I would step down as Secretary of State for Wales after weeks rather than months, but the experience to date confirms that it was wise to combine the two roles during the period of transition. That is obvious from a Welsh perspective, but not from the jaundiced point of view of the hon. Gentleman.

Barnett Formula

11. **Mr. Elfyn Llwyd** (Meirionnydd Nant Conwy): What representations he has received with regard to the Barnett formula in relation to Wales; and if he will make a statement. [88533]

The Secretary of State for Wales (Mr. Alun Michael): There have been a number of presentations, mainly during my predecessor's time when the Government of Wales Bill was under consideration in this House.

The principle behind the formula—that Wales gets a population share of changes in the comparable programmes in England—is clear and easy to understand. Most criticism of the formula confuses the absolute size of the block with the formula for changes. They are two different things.

Mr. Llwyd: I wish to refer to the additionality principle in terms of bringing in further moneys to bring forth objective 1 projects. I seek the Secretary of State's assurance that his office will adhere to the additionality principle, and that any moneys coming in will be over and above those already provided for in the Barnett block.

Mr. Michael: The hon. Gentleman goes off at a tangent. I think that he is referring to structural funds. I can reassure him that the principle of additionality is an obligation on the UK Government, which they will seek to fulfil, as they have in the past. As the Prime Minister stated when he was asked a similar question in Cardiff, the Government will not let Wales down.

Mr. Gareth Thomas (Clwyd, West): Does the Secretary of State agree that, before we even begin to think of devolution as a process, not a change, the Assembly must be seen to exercise its existing powers effectively? Does he further agree that it can do so only if Wales is sufficiently funded under the Barnett formula, and if sufficient attention is given to matched funding, particularly in relation to objective 1 funding?

Mr. Michael: My hon. Friend goes off on another tangent. Those are matters that must be dealt with in the process of the comprehensive spending review, when the burdens and the opportunities available will be considered. My hon. Friend refers to the fact that we achieved objective 1 status, which is so important for the valleys of south Wales, for mid-Wales and for north Wales. That achievement was brought about through the success of a Labour Government fighting for Wales. Over the next few years, the Government will continue to pursue the opportunity that it represents, and I am certain that the Assembly will make a massive contribution to ensure that it brings success to the economy of Wales.

Welsh Development Agency

12. **Mr. Nicholas Winterton** (Macclesfield): If he will make a statement on the Welsh Development Agency's support for the manufacturing sector in Wales. [88534]

The Parliamentary Under-Secretary of State for Wales (Mr. Peter Hain): The Government are giving considerable support to manufacturing in Wales, but the specific measures being undertaken by the Welsh Development Agency are, of course, a matter for the National Assembly for Wales.

Mr. Winterton: I am grateful to the Minister for that somewhat inadequate reply. Does he agree with many business men and women in Wales, as well as business men and women throughout the United Kingdom, that it is one thing for a development agency to offer some support, and quite another thing for the Government to load industry and business with huge additional on-costs, which totally counter that support and make it more and more difficult for manufacturing industry in this country to compete with countries outside Europe that are not loaded with the huge on-costs so typical of the European Union?

Mr. Hain: I acknowledge the hon. Gentleman's interest in and support for manufacturing throughout Britain, and I am sure that that includes Wales. Will he acknowledge that there is now a better climate in Britain for business, including manufacturers, than there has been for generations? That contrasts starkly with the massacre of manufacturing that the Conservative Government carried out in the early 1980s and again 10 years later. Such a policy destroyed manufacturing. This Government's commitment to a healthy business climate to build a high-skill, high-quality economy throughout Britain, including Wales, is achieving success.

Mr. Huw Edwards (Monmouth): Does my hon. Friend agree that the Welsh Development Agency provides invaluable support to companies throughout Wales, including a company in my constituency, Cambrian Consultants, which last week was presented with the Queen's award for export achievement? Will he join me in congratulating that company on its outstanding achievement?

Mr. Hain: Yes, I will. I acknowledge that success as one of the many successes that businesses are enjoying in Wales, as they strive to turn Wales into a high-quality world-class economy with the backing of the Government's policies.

Care for the Elderly

13. **Mr. Lembit Öpik** (Montgomeryshire): What discussions he has had with the Assembly Secretary for Health and Social Services on the provision of care for the elderly. [88535]

The Parliamentary Under-Secretary of State for Wales (Mr. Jon Owen Jones): I congratulate the hon. Gentleman on asking that question during Alzheimer's week. Before the transfer of functions, I had a number of meetings with Jane Hutt, the Assembly Secretary for Health and Social Services. During those meetings, we discussed a wide range of issues that are in her portfolio.

Mr. Öpik: Does the Minister accept that funding on care for the elderly is still far too low in Wales? Indeed, the availability of provision for the elderly in Wales has fallen below that in England. Will he carry on making representations to try to equalise investment in elderly care provision in England and in Wales?

Mr. Jones: I am sure that the Assembly will be very sympathetic to the points that the hon. Gentleman has raised, but it is for the Assembly to decide on the allocation of resources.

PRIME MINISTER

The Prime Minister was asked—

Minsterial Visits

Q1. [88551] **Mr. Nigel Beard** (Bexleyheath and Crayford): What plans he has to visit Bexleyheath and Crayford.

The Prime Minister (Mr. Tony Blair): I have no immediate plans to do so.

Mr. Beard: I am sorry that the Prime Minister will not be coming to Bexleyheath and Crayford. If he were able to do so, he would meet members of a community, which is a cross-section of the whole country, who admire and applaud his strenuous efforts to bring peace to Northern Ireland. When he next meets Unionist and nationalist leaders, will he tell them of the incomprehension, impatience and anger that will be felt in such communities if the best prospect for a settlement in Northern Ireland this century collapses because one side has made no gesture in many months to recognise legitimate concerns for arms decommissioning and the other side is too intransigent to wait 30 days for decommissioning to begin?

The Prime Minister: There are difficult decisions for all sides in Northern Ireland. All I ask is that people keep an open mind and carry on discussing the nature of the legislation with the Government so that we can put proposals that are agreed by everybody to the House next week. I very much hope that that will be the case.

Engagements

Q3. [88553] **Mr. Paul Marsden** (Shrewsbury and Atcham): If he will list his official engagements for Wednesday 7 July.

The Prime Minister: This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Mr. Marsden: I thank my right hon. Friend for that reply. Does he agree that the health White Paper, which was launched yesterday and aims to save 300,000 lives over the next 10 years, will benefit everyone, particularly people on low incomes and those from socially disadvantaged backgrounds—the same people whom the Tories wrote off when they were in office through their two-tier national health service?

The Prime Minister: We have targets to reduce the death rates from cancer and heart disease. We shall put £60 million directly into services for the three most common cancers and a further £150 million into providing state-of-the-art equipment for cancer treatment. There will be an extra 400 cancer specialists and increased spending on cancer drugs. All that will, of course, take time, but we will end up with a vastly improved service for people suffering from that disease.

Mr. William Hague (Richmond, Yorks): Why did the right hon. Gentleman not mention that the waiting list to see a consultant has doubled since he became Prime Minister? Will he keep on blaming other people or will he and his Ministers take responsibility for that miserable failure?

The Prime Minister: Waiting lists are down as a result of the Government's policies and we are putting an extra £21 billion into the health service—opposed by the Conservative party.

Mr. Hague: It is a good job that there is not a waiting list for a straight answer, or we would be here for a very long time indeed. The number of consultants is down; the number of complaints is up; the waiting list to get on the waiting list has been doubled; junior doctors have been betrayed; the head of the MBA said in his speech on Monday—*[Interruption.]* The head of the—*[Interruption.]*

Madam Speaker: Order.

Mr. Hague: The head of the BMA said in his speech on Monday—[Hon. Members: "Hurray!"] I am glad that everybody is listening; listen to the next bit as well. The head of the British Medical Association congratulated the Prime Minister on the fact that

"Morale has never been so low".

Will he give the House the figure for the number of people waiting to see a consultant?

The Prime Minister: The waiting lists are 62,000 below the level that we inherited. The present figure is just over 1 million. [Hon. Members: "Give the figures."] I am giving the figures. Average waiting times are now shorter. As for junior doctors' hours, when we came to office, 6,500 junior doctors were working for more than 56 hours a week—an unacceptable figure. Now the figure is 4,800. However, we will continue to bring the figures down. I am pleased to say that only one junior doctor in six works now for more than 56 hours a week, which means that five sixths work for less than that; nevertheless, we will continue to reduce the hours. There are now 2,200 more doctors in the national health service, and, over the next few years, we will introduce 7,000 more.

Mr. Hague: The Prime Minister should be concerned that his officials did not even bother to put the answer to the question in his folder. The answer is this: 456,000 people are waiting to see a consultant. That is 200,000 more since he took charge.

Is not the emerging story of this Government, on this as on so many other things, one of simple incompetence? We have half a million people waiting to see a consultant, half a million people waiting for a passport, and half a billion pounds lost on the sale of the gold reserves. The Prime Minister's problem is that he has a Cabinet full of incompetents, but he can only have one candidate for the post of mayor of London. When will he get rid of those people, and secure people who will actually deliver for the Government?

The Prime Minister: As I have said, the right hon. Gentleman's figures for the waiting lists are wrong. Waiting lists have fallen by 62,000 from the level that we inherited.

The BMA made three criticisms. Let me deal with each in turn. First, the BMA disagreed with the way in which the primary care groups had been set up—but, last year, they voted by three to one to support the reforms. Secondly, the BMA opposed the private finance initiative contracts for the new hospitals. I am proud that we are building those new hospitals, which will deliver better health care for people. Thirdly, the BMA opposed NHS Direct and the new walk-in centres. Those centres, and NHS Direct, are giving ordinary people better access to the health service than they have ever had.

I understand the BMA's concerns, and we are prepared to talk to its members about them, but change is necessary for the improvement of the health service. We shall have 7,000 more doctors, 15,000 more nurses, 31 new hospitals and £21 billion more investment. That is a record of which we can be proud.

Q4. [88555] **Mr. Jonathan Shaw** (Chatham and Aylesford): Does my right hon. Friend agree that, if we are to protect the countryside and rejuvenate our inner cities—as suggested in the Rogers report, "Towards an urban renaissance"—we must deal with a massive anomaly? A builder can construct a new house on a green-field site and be zero-rated for VAT, while renovation of an empty property in an inner city is charged at the full rate of 17.5 per cent. Can my right hon. Friend assure me that the Government will take the matter seriously, and will act at the earliest opportunity?

The Prime Minister: Of course we will take my hon. Friend's points seriously. As he knows, the problem of reducing the rate to zero has been caused by a European regulation. *[Interruption.]* It was signed by the last Government, I might add.

We are, however, taking two other steps that I consider important. We have refocused the single regeneration budget, and we are putting some £900 million extra into inner-city areas, where we can develop more brown-field sites. Moreover, we have upped the target for brown-field sites to 60 per cent. I believe that those measures will make a difference over time. However, I understand the point that my hon. Friend makes, and I recognise the anomaly to which he has drawn attention.

Mr. A. J. Beith (Berwick-upon-Tweed): When the Prime Minister talks of obstructiveness and resistance to change in the public sector, are doctors one of the groups that he has in mind?

The Prime Minister: No, I am not attacking doctors, but let us take the example of the PFI, which they have attacked. We are going to deliver the largest hospital-building programme that the health service has ever seen. We will deliver it on cost and on time. I think that experience shows that such developments, delivered through the private finance initiative, are better for the patient, and therefore better for the health service as a whole. I am not attacking doctors, or any other group of workers; I am saying that we need change in our public services—and this Government, who are putting more money into the public services than has ever been put into them before, are entitled to demand real change in return.

Mr. Beith: Does the Prime Minister not understand that doctors are concerned about future funding for patient care, as they worry about the much higher long-term costs of paying for hospitals through the private finance initiative? Over time, it costs more to do it that way. Does he understand that junior doctors are similarly concerned about their position? If the scars on the Prime Minister's back were real ones—if he had to go to casualty—would he really want to be treated by a doctor who had been on duty for 34 hours?

The Prime Minister: That is precisely why we are reducing the hours that junior doctors work. We have significantly reduced those hours, but we have to reduce them more. However, we cannot go all the way now, because it takes considerable time to train a doctor—in some specialisms, it takes 10 or 15 years. We are putting in extra investment—which, after all, is the largest three-year additional investment that the health service has ever had. As I said, we are getting in extra doctors and nurses, but that takes time.

I do not agree with the right hon. Gentleman's point on the PFI. If he would go and talk to the people at the PFI site that I visited today at Greenwich, they would tell them that, because of the PFI, the contract will be completed on time and will not have a cost overrun. They would also tell him that care and maintenance are part of the contract, and that the fact that care and maintenance are not done properly in the public sector is one big reason why we do not have the health service that we need.

Mr. Eddie McGrady (South Down): I should like, first, to place on record the sincere appreciation of my party and the people whom I represent for the superhuman effort that the Prime Minister, the Secretary of State, the Taoiseach and his Ministers made last week to deliver peace and government in Northern Ireland. I should like also to apologise to the Prime Manor and the House for being absent on Monday and unable to play a supportive role. I hasten to add that my absence was due entirely to aircraft failure.

Does the Prime Minister agree that the way forward document, which he and the Taoiseach produced, at this juncture, shows the best possible way forward for the future of Northern Ireland and for implementing all aspects of the agreement, not only decommissioning—which we all want, desire and need—but the devolved institutions, and other instruments of government, that would have been in place last September, had the spirit of the agreement been fulfilled? It is also the best possible way of ensuring that the process that has been endorsed by the people of Northern Ireland is brought to a successful conclusion, and to test the sincerity of those with arms on whether they will really decommission. The document shows the only way that we can test that.

The Prime Minister: It is important that people should understand that this is the only chance—the only way forward—for Northern Ireland. The agreement allows us to get both devolution of power, which people want, and the decommissioning of paramilitary weapons—not only republican paramilitary weapons, but all paramilitary weapons. As we have said, we shall listen profoundly—we must do; it is our duty—to concerns raised by any group in respect of it. I do believe that it offers the best way forward, and I urge people—all parties—to accept it as such.

Mr. Nick St. Aubyn (Guildford): At the end of March 1998, no junior doctor at the Royal Surrey hospital worked beyond the 56-hour limit set by the previous Government. Now, over half the junior doctors at our hospital are working beyond that limit. Does the Prime Minister agree with his Health Secretary that care for the old and the sick in places such as Guildford simply does not matter to the Government?

The Prime Minister: My right hon. Friend never said anything of the sort. I do not know the circumstances of that particular hospital, but I shall look into them. However, as I said, the overall national figures show a reduction in the number of doctors working more than 56 hours a week.

The one group of people from whom we shall take no lessons on the health service is the Conservative party. We are making up for 18 years of failure by the Conservative Government. Yes, it will take time to get the hospitals built and the technology in, and to get more doctors and nurses into the health service, but we shall get there because, unlike the Conservative party, we believe in the health service.

Miss Melanie Johnson (Welwyn Hatfield): As a former inspector for the Office for Standards in Education, I welcome today's Ofsted report on improving standards in our primary schools. Does my right hon. Friend agree that the work of good teachers and the Government's introduction of the national literacy and numeracy hours have brought about the improvements that are benefiting our children?

The Prime Minister: We were very pleased by the Ofsted results, and I believe that even more dramatic change will come over the next few years, partly because of the literacy and numeracy hours and partly because, although under the previous Government's plans spending was cut by £80 per pupil for the past three years, it will rise over the next three years by £200 per pupil. In addition, class sizes are falling for primary school children, and substantial capital investment will mean new buildings and new computer systems in schools. All that will transform the educational standards of our country.

Q6. [88557] **Mr. Christopher Gill** (Ludlow): Is it fair that some abattoirs in Britain are charged more than £50 an hour for veterinary supervision while others are charged less than £30? Does the Prime Minister recognise the vital role of small abattoirs, and that damage would be done to the rural economy if they were forced to close? Will he intervene personally to ensure that small abattoirs are not driven out of business by wholly disproportionate and unaffordable Government-imposed meat inspection charges?

The Prime Minister: I understand the hon. Gentleman's point. Charging requirements were introduced in 1995, and they have caused a lot of concern to smaller abattoirs, although I understand that not all small abattoirs pay higher charges than larger ones because inspection charges reflect the cost of providing the service to each premises. However, we are reviewing the charges to ensure that they are fair and sustainable, and the results of that review will be announced in due course. I am sure that the hon. Gentleman's comments will be taken into account.

Q7. [88558] **Mr. Gerry Sutcliffe** (Bradford, South): I recently met representatives of the large Serbian community in my constituency who were angered and upset by the tarnishing of the proud name of Serbia. Does my right hon. Friend agree that, rather than wasting money on an inquiry into the Kosovo conflict, the Government should spend more money and more time on support for the growing opposition in Serbia? Would that not prove that the conflict was conducted not against the Serbian people but against Milosevic and his actions?

The Prime Minister: I cannot emphasise too strongly that the conflict was not aimed against the Serbian people, whose second world war heroism we remember well. I hope that people in Serbia recognise that a democratic Serbia, rid of Milosevic, would have a bright future, and that it could be part of the new Balkans that we want. The whole region is less stable while Milosevic remains, and it is in the interests of the Serbian people and the whole region that he should be removed.

Mr. William Hague (Richmond, Yorks): Does the Prime Minister personally guarantee that no grammar school will close under the Government?

The Prime Minister: It is not for me to guarantee that. As a result of our proposals, the power to decide lies in the hands of parents.

Mr. Hague: It is a pity that it is not for the Prime Minister to guarantee that. Two years ago, during the Wirral, South by-election, he wrote a letter to parents, saying:

"Let me put the record straight. A Labour Government will not close your grammar schools. That is my personal guarantee."

Now, however, campaigns to close grammar schools are run by Labour party activists, and he is the leader of the Labour party. Has the warranty expired on his guarantee, or just on what is left of his principles? My personal guarantee is that I will campaign against his party to save the grammar schools. Will he join me?

The Prime Minister: The right hon. Gentleman is talking complete nonsense, because the Labour Government are not closing grammar schools. At present, the power to close a grammar school lies with the local education authority. The decision then goes to the Secretary of State. Our legislation takes it out of the hands of the local education authority and puts it in the hands of the parents. The party that closed more grammar schools in Britain than any other was the Conservative party.

Mr. Hague: Even if the Prime Minister is not motivated by conviction to help the grammar schools, one would think that he would at least be motivated by shame, because, when the Labour party made that election promise, it lied to people. Is it not time that, instead of hypocrisy, the Prime Minister called off members of the Labour party from destroying some of the best schools in the country, or is it that even he now has no respect for the promises that he made?

The Prime Minister: I repeat to the right hon. Gentleman that, as he knows perfectly well, the Labour

Government have not closed a single grammar school. We have no power to close grammar schools. As I explained a moment ago, the power used to vest in local education authorities; it now vests in parents. It is a decision to be made by parents. So far, they have not chosen to close any grammar school so, I suggest that, rather than raising scare stories, the right hon. Gentleman concentrates on the difference between the Government's education achievements and those of our predecessors. This Government are putting money into all our schools, because we want not just some, but all, our children to get a decent education. As I pointed out a moment ago, the previous Government, of which the right hon. Gentleman was a Cabinet Minister, capped spending per pupil by £80 for all school children. We are raising it by £200 per pupil. That is the difference between a Conservative Government for the few and a Labour Government for the many.

Mr. Mohammad Sarwar (Glasgow, Govan): Is my right hon. Friend aware that 1,200 jobs at Kvaerner in Govan are under serious threat? The people of Scotland, my constituents and the work force at Govan shipyard are looking to the Government to do everything in their power to save those jobs. Will my right hon. Friend assure the House that the Government will provide all the necessary support to the work force, who are campaigning with passion, dignity and self-respect to secure those jobs?

The Prime Minister: They certainly are campaigning with passion and dignity. As my hon. Friend knows, we have set up a task force specifically to try to secure the future of the Kvaerner yard. My right hon. Friend the Secretary of State for Scotland is to meet the shop stewards and the task force this afternoon to see how we can plot a way forward for the shipyard. Everyone knows that those skills are valuable to Scotland and to the United Kingdom and we shall do all that we can to keep them.

Mrs. Caroline Spelman (Meriden): Does the Prime Minister agree with Birmingham's chief education officer, Professor Tim Brighouse, that his Government's abolition of the assisted places scheme has widened social divisions in education?

The Prime Minister: No. If he said that, I comprehensively disagree with him. As a result of abolishing the assisted places scheme and putting the money into reducing class sizes in primary schools, by September there will be about 240,000 fewer five, six and seven-year-olds in classes of over 30 pupils. I believe that that it is important not that we subsidise some children to get a good education, but that we provide a good education for all our children.

Mr. Bob Laxton (Derby, North): I welcome my right hon. Friend's announcement this morning of £650 million-worth of private finance initiative investment and contracts in the national health service. In my constituency and in Derby, South and Derby city, the £177 million-worth of investment that will bring together acute services, possibly on one site, will enhance and improve health care in southern Derbyshire. In addition—*[Interruption.]*

Madam Speaker: Order. The House is getting very impatient because the hon. Gentleman is not putting a question. This is the first time that he has had the opportunity to put a question to the Prime Minister, and the House should be tolerant—but do put your question now, Mr. Laxton.

Mr. Laxton: Thank you, Madam Speaker.

Does my right hon. Friend agree, that for the very first time in the city of Derby, a community hospital will be created on an existing site and that it is a much-needed—and will be a much-valued—facility?

The Prime Minister: I agree. My hon. Friend is entirely right. Not only will there be a community hospital, but, as a result of the contract that has been announced today, all the acute services for the people of Derby will be on one site, so people will not have to go to different places to get acute service care. Our experience with the private finance initiative is that it delivers the contracts on cost and on time. The previous Government promised all the hospitals, but never started or delivered them.

Q9. [88560] **Mr. Archie Norman** (Tunbridge Wells): Is the Prime Minister aware that, despite all the hype that we have heard about hospital PFIs, the people of west Kent and East Sussex are in despair over the failure to reinvest in one of the most decrepit acute hospital facilities in the country? What hope can he offer them? Why has every one of the major investments in the NHS announced in the past 24 months been in a Labour-held constituency?

The Prime Minister: Well, there are rather a lot of Labour-held constituencies. The hon. Gentleman talks about the decrepit hospital in his constituency. Does he really believe that it has become decrepit in two years? The problems in the health service are of long standing. We are making a start on putting them right. We are getting new hospitals built, and new doctors and nurses, but it will take time. I say to his constituents what I would say to anybody in the country: if they want the health service rebuilt, they should look not to the people who ran it down for 18 years, but to the Government, who believe in it.

Mrs. Christine Butler (Castle Point): Will my right hon. Friend congratulate nursery teachers, teachers and head teachers in my constituency on the enormous work that they have put into early-years development and numeracy and literacy hours in the primary sector? By this September, there will be fewer than 30 pupils in all classes of five, six and seven-year-olds, and there is enormous expansion in early-years education throughout my constituency. Does he look forward to the next Ofsted report, which will mark even greater strides forward in raising standards in basic skills in the primary sector?

The Prime Minister: When we came to office, half a million five, six and seven-year-olds were in classes with more than 30 pupils, education funding was being cut and almost half our 11-year-olds were leaving primary school without proper literacy and numeracy skills. We are getting class sizes down and improving literacy and numeracy, which will mean a better-educated and more prosperous country for the future.

Q10. [88561] **Mr. Michael Jack** (Fylde): Britain's dairy farmers are in crisis, owing to the Government's failure

to assist them over matters connected with the reform of the common agricultural policy, bovine tuberculosis and the lowest milk prices in Europe. When members of Milk Marque want to tackle that problem by investing in more dairy production capacity, the Secretary of State for Trade and Industry appears to rule out farmers doing something to help themselves. Will the Prime Minister ask the Secretary of State to reconsider the matter and ensure that our dairy farmers can invest in themselves?

The Prime Minister: Obviously, the Secretary of State has to take into account the recommendations of the Monopolies and Mergers Commission, and the right hon. Gentleman would expect that. I understand his claim that we should put Government money into the dairy sector. *[Interruption.]* I am sorry, but dairy farmers will invest in the sector only on the basis that they have set out, which is contrary to the MMC report. If the Government failed to take account of the MMC report and ignored it, many consumers would rightly be angry with us. We will listen to the concerns of the dairy industry, but we also have to act on the recommendations of the Monopolies and Mergers Commission. We would be wrong to ignore them.

Libya

3.31 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): With permission, Madam Speaker, I should like to make a statement on relations with Libya. I am grateful to the Opposition for agreeing—*[Interruption.]*

Madam Speaker: Order. This is an important statement. Those hon. Members who are leaving the Chamber must please do so quietly and quickly, as those who are remaining want to hear the statement.

Mr. Cook: Thank you, Madam Speaker. You anticipated me, as I was saying that I was grateful to the Opposition for agreeing to this important statement being made on a Supply day.

For over a decade, two separate issues have prevented us from maintaining normal diplomatic relations with Libya. One of those was the refusal by Libya to hand over the two men charged with responsibility for the bombing of Pan Am flight 103 over Lockerbie. As the House will be aware, the diplomatic stalemate over this issue was broken by our initiative in offering a trial under Scottish law in the Netherlands. Intensive and patient diplomacy produced an agreement by Libya in April to hand over both suspects. The two accused are currently held in the court complex at Camp Zeist, where we expect their trial to commence early next year. This will give the relatives of those who died and the public their first opportunity to hear all the evidence that we hold.

United Nations sanctions were imposed on Libya in 1992 as a result of its refusal to comply with the investigations into the Lockerbie bombing and the parallel UTA case. Following the surrender of the two accused, UN sanctions on Libya have been suspended.

However, diplomatic relations between Libya and the United Kingdom had already been broken off before the Lockerbie bombing. They ceased in 1984 when we broke off diplomatic relations over the refusal by Libya to co-operate with the investigation into the killing of WPC Yvonne Fletcher, who was shot while carrying out her duties in front of the Libyan People's Bureau in St. James's Square.

In the weeks since the handover of the two Lockerbie suspects, we have been engaged in repeated exchanges with the Libyan Government in an attempt to secure their co-operation with the police investigation. Throughout these negotiations over some weeks, we have consulted fully with the Metropolitan police and, through them, with the Fletcher family. Earlier this afternoon, I met Mr. Obeidi of the Libyan Government, and we have finalised a joint statement.

In that statement, Libya accepts general responsibility for the actions of those in the Libyan People's Bureau at the time of the shooting. It expresses deep regret to the family of WPC Fletcher for what occurred and offers to pay compensation now to the family. Libya agrees

"to participate in and co-operate with the continuing police investigation and to accept its outcome".

I have placed in the Library a full text of the joint statement. It fully meets the objectives pursued by successive British Governments since 1984, and it is supported by the Metropolitan police and the Fletcher family. No amount of payment can ever compensate the Fletcher parents for the loss of their daughter, but the agreement to make compensation now is welcome as a recognition by Libya of its responsibility.

The way is now open for the police to pursue their investigation into the killing of Yvonne Fletcher. That investigation will be pursued as far as it can and we expect Libya to co-operate at all stages of the investigation.

The two agreements that we have secured open the way for us to resume diplomatic relations with Libya. I am upgrading immediately the British interests section in Tripoli to embassy status. We will, as quickly as practical, appoint an ambassador and bring the embassy up to full strength. As a result, the 4,000 or so British citizens who are resident in Libya will have restored to them full consular protection, and we will be able to provide appropriate support to British commercial interests. Full diplomatic representation will also enable us better to monitor Libyan co-operation with the Lockerbie trial and the police investigation into the killing of Yvonne Fletcher.

Today's announcement brings to an end 15 years throughout which relations between our two countries were suspended. I should like to thank the Government of Italy for their assistance throughout those years as the protecting power of British interests in Libya.

I ask the House again to pay tribute to Yvonne Fletcher, a young woman who gave her life in the service of law and order. Her family have suffered not only her loss, but the added pain of 15 years in which its investigation has been blocked. They have borne it with dignity and fortitude. I express on behalf of the whole House our deep sympathy to them. I hope that the agreement that we have secured today will open the way for them to learn more about what happened on that fateful day.

Mrs. Cheryl Gillan (Chesham and Amersham): I thank the Foreign Secretary for his kind words and his courtesy in providing advance notification of today's joint statement. Both the last Conservative Government and the present Labour Government have striven to reach this point. On behalf of the official Opposition, I therefore welcome the progress in Anglo-Libyan relations that is contained in the declaration, which, in effect, restores normal diplomatic relations between our two countries.

It has always been our view that Libya should express regret about, and accept responsibility for, the appalling murder of WPC Yvonne Fletcher, as well as co-operating in the investigation into her murder. The Foreign Secretary has announced that the investigation will be pursued. To what degree can he expect co-operation from Libya to identify the murderer? Does he believe that the murderer will now be brought to justice? If so, will he confirm that the procedures that are in place for the trial of the Lockerbie suspects could be used to try any person who is accused of her murder?

The relatives of those killed in the bombing of Pan Am 103 will follow developments closely. What discussions has the Foreign Secretary had with those relatives, and what has been their reaction to the compensation to Yvonne Fletcher's family, which is symbolic of the guilt of Libya?

[Mrs. Cheryl Gillan]

The Foreign Secretary has referred to United Nations sanctions against Libya, which are only suspended, not lifted. Does he intend to press for sanctions to be lifted? Has he had an opportunity to discuss that with the United States Government?

There has been undisputed evidence of Libyan support for terrorists, particularly the IRA. Will the Foreign Secretary assure the House that all training of terrorists and material support to terrorists has now been stopped, including support to rebel groups in west Africa?

On the future, and the restored links between our two countries, will the Foreign Secretary clarify the status of the business delegation that has been proposed by the British Libyan business group? There was some confusion, I understand, between his Department and the Department of Trade and Industry earlier this week. Does that delegation now have his support?

We welcome the fact that the 4,000 British citizens who are working in Libya will now have British consular protection. Conservative Members hope that the restoration of full diplomatic ties will prove to be a turning point in our relations with Libya and in Libya's relations with the rest of the world. Libya will be watched very closely.

Finally, we are pleased that the outcome has the endorsement of the Fletcher family. I join the Foreign Secretary in paying tribute to them and to Yvonne Fletcher. Even now, although we are moving on to the next chapter, I do not believe that anyone in this House will forget the brave WPC who, in doing her duty, paid with her life.

Mr. Cook: I am grateful to the hon. Lady for her approach to this issue and I very much welcome the sentiments expressed in her closing remarks, which are shared by hon. Members throughout the House. The hon. Lady asked a number of questions and I will try to respond to them all as briefly as possible.

First, we expect Libya to honour its commitment to co-operate fully with the police investigation at all stages. That must include the final stage if any individual is identified by the police.

I do not think that it would be feasible or helpful to wrap up any proceedings with the trial that has been set up for the Lockerbie bombing. That was set up under the Security Council resolution that refers only to that bombing. In any case, there is the difficult question of jurisdiction. We have already managed to achieve legal history by carrying out a trial under Scottish jurisdiction in the Netherlands. We could not extend that to include English jurisdiction because of the killing of Yvonne Fletcher.

On the relatives of those involved in the Pan Am bombing, I assure the House that we contacted them in advance of the statement to inform them that we intended, in the light of the agreement, to resume diplomatic relations with Libya. Among British relatives of those who died, we are not aware of any dissent from the course of action that we propose to take. As the House will know, they warmly welcomed the initiative that we took to secure the trial.

On United Nations sanctions, those are suspended to all intents and purposes. When we reached agreement on the Lockerbie trial we undertook that if the Secretary-General reported that Libya had complied with the Security Council resolutions of 1992, Britain would support the lifting of sanctions. That remains our position. The Secretary-General has not yet been able conclusively to say so, but when he does we will support the lifting of sanctions.

On Libyan participation in terrorism, I refer the House to what is said in the joint statement that I have placed in the Library. In that statement, Libya condemns terrorism and pledges to co-operate in the international fight against it. The very clear statement that we have secured amounts to the renunciation of terrorism, which has been sought repeatedly in the past decade and has on previous occasions been volunteered by Libya. With our new diplomatic channels in Libya, we will do everything that we can to ensure that both countries fight against the support of terrorism.

On the British Libyan business group, the proposal for that visit was first put to the Government in May. Both the Department of Trade and Industry and the Foreign Office took exactly the same position. The standard position of Governments throughout the years since 1984 has been that we will neither support nor discourage trade missions. That was the view that was clearly expressed to that group. Last week, when it became clear that we were getting close to an agreement, both the DTI and the Foreign Office relaxed our comments on the trip. I understand that the business visit is proceeding at present.

That is now history. As a result of the agreement that we have secured today and of the strengthening of diplomatic channels, we are in a position properly to support commercial interests and trading missions for the future.

Finally, I welcome the hon. Lady's welcome for the agreement that we have secured today. It marks a significant step forward. For the first time, Libya has acknowledged responsibility for what happened on that day. Libya has also offered compensation from the Libyan authorities, as opposed to an ex gratia payment without the acceptance of responsibility. Libya has for the first time given a commitment to take part in the police investigation and to accept its outcome. All those four points are substantial steps forward and give us a firm basis on which we can proceed to normalise our diplomatic relations.

Mr. Tam Dalyell (Linlithgow): Having had various Adjournment debates on the tragic death of WPC Fletcher, I pay tribute to the courage and dignity displayed throughout by Queenie Fletcher, her husband and family. May I clarify something that seems unclear? In his statement, the Foreign Secretary said that "general responsibility" had been accepted by the Libyans for the actions at the time—I think that those were his words. The Opposition spokesman talked in terms of Libyan guilt. Will my right hon. Friend clarify whether the Libyans have accepted guilt? As I understand it, the testimony that was given on film by Huw Thomas, formerly the surgeon in Belfast, by George Stiles, the senior ballistics expert of the British Army, and by Professor Bernard Knight, the Home Office pathologist, at least raises questions.

I pay tribute also to David Veness and his colleagues, whom I went to see in Scotland yard. I see the Home Secretary nodding. Indeed, I pay tribute to my right

hon. and hon. Friends in the Foreign and Home Offices for the seriousness with which they have tackled this issue. Could there be clarification on the issue of responsibility and exactly what the Libyans have accepted?

I should like to ask a final question of which I gave the Foreign Office notice once the statement went up on the Board. Are there likely to be, along the lines suggested by Professor Robert Black, the educational and cultural exchanges that are yearned for?

Mr. Cook: When Mr. Obeidi called on me earlier today, he expressed voluntarily his appreciation of Britain's acceptance of a large number of students from Libya to study in Britain. Even under present circumstances, 500 students from Libya are attending full-time courses in Britain. I very much hope that, with the normalisation of diplomatic relations, we will be able to intensify that base, which is already strong. I assure my hon. Friend that I should imagine that the new ambassador will want to give high priority to promoting cultural exchanges where appropriate.

My hon. Friend mainly focused on the question of guilt. Guilt is of course a particularly narrow term, which identifies the criminal responsibility of an individual or individuals. We are dealing with the acceptance of responsibility by a whole Government for the action of their agents. In that sense, the statement that I have placed in the Library, which hon. Members may examine, is quite explicit. Libya acknowledges the verdict of the coroner's court that the bullet was fired from within the Libyan People's Bureau, and accepts general responsibility for those who were in the bureau at the time. That is a satisfactory acceptance of responsibility. The issue of individual guilt is one for the police investigation.

Dr. Jenny Tonge (Richmond Park): I thank the Foreign Secretary for his statement and for allowing us to have sight of it before he announced it in the Commons. We of course welcome the resumption of diplomatic relations with Libya and the terms of the agreement. That is very good news. We send sympathy to WPC Fletcher's family for what must have been terrible times for them.

Although we accept that the negotiations must have been difficult and sensitive, does the right hon. Gentleman understand the desire of British business not to lose out on trade to its competitors? Does he realise the confusion that surrounded the trip to Libya organised by the British Libyan business group this week? Will he reaffirm that, now that the agreement has been reached, the Department of Trade and Industry and the Foreign Office will get their act together and give a clear signal and support to British companies?

Mr. Cook: I am happy to agree with the hon. Lady on what she says in respect of the Fletcher family. They will appreciate that those in all quarters of the House have expressed sympathy and support for their conduct over the past 15 years and the trial that that must have been to them.

I say bluntly to the House that the Government have nothing to apologise for on the question of the British Libyan business group. The visit was proposed in May, when we had only commenced discussions on whether we could reach a resolution of the matter of the killing of WPC Fletcher. It would have been quite wrong for the Government at that stage to encourage a parliamentary visit when we were still unable to get agreement from Libya on this question. Indeed, if we had done so, we would have been subject to much greater criticism in the House. There has been no confusion between the two Departments. Both Departments took that view in May and last week both decided that the time had come to relax it.

One consequence of that outcome is that we shall be better placed to support trade missions and our commercial interests. That is not why we sought the agreement. We sought it to do justice to the memory of Yvonne Fletcher. We sought an agreement on the Lockerbie bombing to take the course of justice forward. However, we should not regret the fact that one consequence of the agreements is that we shall be able to compete on equal terms with our trading partners in Libya.

Mr. Gerald Kaufman (Manchester, Gorton): Is my right hon. Friend aware that when I was shadow Home Secretary it was my responsibility to attend the siege of St. James's square, when a leafy part of central London was turned into a killing field, and that I later represented our party at the unveiling of a memorial to WPC Fletcher there? Is he further aware that when I was shadow Foreign Secretary it was intimated to me that if I were to travel to Libya, compensation for WPC Fletcher would be handed over to me, but I decided that it would not be acceptable to do that because we did not have diplomatic relations with Libya and because a behind-the-door approach to dealing with the problem would not entail Libya accepting responsibility, which it has now done? While we shall continue to mourn for WPC Fletcher, we have now seen a country that was outside the rule of international law voluntarily return within the rule of international law. Other countries, including Iraq, should pay attention to that.

Mr. Cook: I am well aware of the part that my right hon. Friend played at the time. This morning I re-read his observations in the House of Commons at the time of the original statement. I am also well aware of the monument to which he refers, as it is within walking distance of my official residence and I have passed it many times. We should all recognise that we would not do justice to the memory of Yvonne Fletcher by allowing the matter to continue in abeyance without attempting to find a way of resolving it and taking it forward. The agreement that we have secured today is a good way of trying to establish the truth and making sure that, in honour of Yvonne Fletcher and the pain of her family, we can take forward our relations with Libya. I agree with my right hon. Friend that there is a message in what has happened. Even Governments who have put themselves outside the circle of acceptable international relations can be brought back in. The more we succeed in doing that, the more we shall be able to offer security to people around the world.

Sir Teddy Taylor (Rochford and Southend, East): Does the Secretary of State agree that an apology is not a new development? Many years ago, shortly after the tragic death of Yvonne Fletcher, the Libyans offered a personal apology, accepting responsibility and offering a

[Sir Teddy Taylor]

payment to a police charity rather than to the family. By responsibility, did the Libyan authorities—Mr. Obeidi—in particular, say specifically that they accepted that the bullet came from within the embassy? That is desperately important, in view of the right hon. Gentleman's answer to the hon. Member for Linlithgow (Mr. Dalyell). My understanding is that in all previous statements the Libyan authorities did not imply that.

I greatly appreciate the initiative that the Foreign Secretary has taken, as compared with what has happened in the past. Will he take every possible step to ensure that the agreed rules and safeguards in the trial at The Hague are carefully observed, particularly in view of the reports of one or two incidents over the past few days? Will he do all in his power to make sure that the safeguards that he offered are applied?

Mr. Cook: I assure the House that, as well as the Foreign Secretary, there will be a number of Scottish trial judges present who will certainly wish to insist on proper rules of procedure. I have every confidence in their doing so. On the custody of the two accused, I gently say to the House, without divulging the details, that the reported breach of security was of a minor and technical character. I remain confident of the security arrangements that we have prepared at Camp Zeist.

The hon. Gentleman asked to what extent the agreement was an advance on previous offers. I acknowledge that, in 1991, he obtained an offer of payment from Libya. The agreement that we have secured during these discussions goes further than that in the following ways. First, the offer in 1991 was for an ex gratia payment which was to be channelled, not directly to the Fletcher family, but through the police fund. This agreement is for something that is described explicitly as compensation and goes directly to the Fletcher family. It recognises the greater extent to which Libya now accepts responsibility for the killing of WPC Fletcher.

Secondly, in the text of our agreement, Libya agrees to co-operate with the police investigation and to accept its outcome, which is specifically stated. Whatever other facts may emerge from further police investigation, I do not think that anybody, including Libya, can be in any doubt that the police investigation will confirm the coroner's verdict that the bullet was fired from within the Libyan People's Bureau. I welcome this step forward. It has enabled us to make progress in our relations, but I must tell the hon. Gentleman and the House, that this represents a significant step forward in agreements that we have been able to secure from Libya so far.

Mr. Roger Casale (Wimbledon): I join hon. Members in welcoming the restoration of diplomatic links with Libya. On behalf of the British-Italian parliamentary group, of which I am chairman, I join the Foreign Secretary in paying tribute to the work of the Italian Government in protecting British interests in the intervening years. Does the Foreign Secretary agree that the forthcoming British-Italian summit offers a good opportunity for our Government to renew their commitment and support for Italian initiatives within the common foreign and security procedures and other mechanisms to create an area of freedom, security and justice across the Mediterranean?

Mr. Cook: My hon. Friend draws attention to what I believe is a new development in our relations, the British-Italian summit, which we will be hosting in Britain shortly. It will give us an unprecedented opportunity to take forward a number of the wider European issues.

I take this opportunity to echo the appreciation that my hon. Friend has given to the Italian Government for acting as our protecting power. In fairness to the Government of Italy, I do not think that they understood at the time how long that commitment might last, but, throughout those 15 years, they have never resiled from their commitment to act as our partner and friend within Libya. My friend and colleague, Lamberto Dini, was also helpful in interceding with Libya in part of the negotiations over the Lockerbie trial. I have written to him this week giving him advance notice of this statement and thanking him for all the help that Italy has given us over the years.

Mr. Douglas Hogg (Sleaford and North Hykeham): The right hon. Gentleman has told us that the Libyan Government will co-operate with the investigation and abide by the outcome. It would be helpful if he could tell the House what is meant by that. Are potential witnesses to be questioned by officers of the Metropolitan constabulary? Are potential witnesses to come to the United Kingdom for that purpose or are officers of the Metropolitan force to go to Libya? If there is a prima facie case against one or more individuals, will they, if necessary, waive diplomatic immunity and submit themselves for trial in the United Kingdom courts?

The House will know that the Libyan Government provided large quantities of arms to the IRA. Will the Foreign Secretary tell the House whether the Libyan Government are proposing to set up a fund to compensate the families of those murdered by those arms?

Mr. Cook: I thank the right hon. and learned Gentleman for his questions. I remind him that Libya's support for the IRA was dealt with by the Government of whom he was a member in 1995. That Government then said that they were generally satisfied with Libya's response and the information it had provided on previous links with the IRA. That Government regarded the matter as closed and I do not have a basis on which to seek to reopen it.

On diplomatic immunity, if I recall correctly, in 1984 the previous Government contested the right of those in the bureau at the time to demand diplomatic immunity and we would not seek to change such a view. The investigation is a matter squarely within the hands of the Metropolitan police. I can only tell the right hon. and learned Gentleman and the House that they have fully supported this statement and will be making their own statement of welcome today. Of course, a commitment to co-operate with the investigation must, by definition, mean making witnesses available for interview. I hope that that will take place. If it does not, we will remind the Libyan Government of their commitment.

Mr. Dale Campbell-Savours (Workington): I think that we should readily seize this window of opportunity to redevelop the historic relationship that we had with Libya before these recent difficult times. In that light, may I take my right hon. Friend back to the issue of the Inter-Parliamentary Union? Is he prepared personally to raise with the executive of the IPU the need to bring in a delegation of parliamentarians from Libya, so that they can mix with those here and recognise that, here in this Parliament, there are friends of Libya who want to put all these matters behind us as soon as possible?

Mr. Cook: I absolutely concur with my hon. Friend. If we are to have successful diplomatic relations it is important that they do not consist merely of Government-to-Government contacts, but include contacts between our peoples, our cultures and our Parliaments. I am well aware from my experience in several countries around the world that contact between parliamentarians is an extremely useful parallel to my discussions with Ministers.

Rev. Martin Smyth (Belfast, South): I join in congratulating the Foreign Secretary on the report, especially on the reference to co-operation in dealing with terrorism. As one who understands how a family feels when a serving member of a police service suffers and is killed, my sympathy goes out to the Fletcher family, and I am delighted that that chapter is closing.

However, in his response to the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), the right hon. Gentleman said that the previous Government had accepted Libya's earlier explanations about Semtex. I ask that that issue be kept open and that contacts continue to be made. It may be that we shall all have to face again the use of Semtex, either on the mainland or in Northern Ireland, so it would be helpful to know about sources and movers, so that they might be brought to justice.

Mr. Cook: If an occasion arises when it would be useful to seek information from the Government of Libya in that context, we would certainly do so. After today's statement and with the resumption of direct representation in Tripoli, we are better placed to do so. The previous Government noted that there were some omissions from the information provided in 1995, although it was generally satisfactory. I agree that, if further information can be useful in our fight against terrorism, it is open to us to go to the Libyans and seek their assistance.

Mr. Nicholas Winterton (Macclesfield): As a Back Bencher who has followed the difficulties between this country and Libya over many years, I congratulate the Foreign Secretary most warmly on his statement to the House this afternoon. I believe that objectives that are satisfactory to all the parties involved have been achieved, which might indicate that Libya is once again re-entering the civilised world.

Will the Foreign Secretary answer this direct question, which is of the utmost importance: does he believe that the agreement with Libya delivers a kick in the teeth or a blow to international terrorism, and that it may deprive international terrorism of supplies of weapons, as mentioned by the hon. Member for Belfast, South (Rev. Martin Smyth)? Would not such a blow to international terrorism be to the benefit of the world as whole?

Mr. Cook: The hon. Gentleman echoes a point put to me earlier by my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman), which is that the more we embrace countries in the fight against terrorism, the more we isolate those countries that are prepared to support terrorism. One of the issues that have brought Libya to the present agreement is that it has become conscious that it, too, can be a victim of terrorism, and that it is in the interests of all of us to fight terrorism together with equal determination.

I have been informed that the Metropolitan police investigation will initially be carried out through written commission interrogatories. Those will include requests for written witness statements.

Mr. Peter Bottomley (Worthing, West): I join in welcoming what the Foreign Secretary and his colleagues have achieved. Those who have kept the flowers at Yvonne Fletcher's memorial in St. James's square will understand the various considerations and the progress that have made his statement possible. Doubt remains in respect of diplomatic immunity: we do not believe that the people in the Libyan People's Bureau had it, but, if it is claimed, can it be waived by the individual who is charged, or can it be waived only by a Government?

On a broader point, does the Foreign Secretary understand that Governments and people opposed to Governments or people with political causes will continue to believe that London is a place where they can get publicity and public attention by committing the sort of violence that we witnessed at the Iranian embassy, the Libyan People's Bureau, the Israeli embassy and elsewhere? Will he confirm the continuing promise of British Governments that there will be an intensity and a persistence in pursuing those who use London as one of the world's killing fields so that people will not expect to get away with it?

Mr. Cook: I can certainly give the hon. Gentleman the assurance that the Government will do everything possible to combat terrorism here and abroad. Britain has had too sad and too much experience of terrorism at first hand not to understand the importance to other Governments of our assisting them wherever it is possible to do so within the law in their fight against terrorism. I fully agree with the hon. Gentleman on that point.

I, too, have noticed that the flowers at the memorial to WPC Yvonne Fletcher have remained throughout the 15 years, and I am sure that they will continue to do so. They are a mark of the esteem in which she was held by her friends and colleagues. It is important that if we close this chapter, we do so in a way that does justice to what happened to her.

Mr. Edward Garnier (Harborough): Are those suspected of the murder of WPC Fletcher resident in a country with which we have an extradition treaty? If so, will the authorities apply for her extradition? If they are not, what does the Foreign Secretary propose to do?

Mr. Cook: It is a bit premature at the start of the police investigation to identify those who may or may not be

[Mr. Cook]

charged with individual responsibility for WPC Fletcher's murder. We have no extradition treaty with Libya. That has been precisely at the heart of our difficulty in the past 10 years in the case of the Lockerbie bombing, which we have now resolved through negotiation. I cannot anticipate what action will be open to us in the event that the police investigation concludes that charges can be brought.

Speaker's Statement

4.6 pm

Madam Speaker: I have to acquaint the House that I have received the following letter from Mr. Peter Jennings, our Serjeant at Arms:

"I write to confirm that I wish to retire on 31 December this year, when I shall be 60.

I have been highly privileged to serve the House for over 22 years, most recently in a senior capacity. I would like to thank all members of the House staff, particularly those in my Department who have so ably helped me to discharge my duties. I also include the Metropolitan Police Division whose staff provide security here and the Post Office staff who provide our mail services. It has been enormously rewarding to lead such a dedicated and diverse team and see how all those involved in it have developed to meet the ever increasing demands placed on them to meet the Departmental objective of providing 'the best possible service'.

May I finally record my appreciation for the many kindnesses shown to me during my time here and particularly for all the support which you personally have given me during my time as Serjeant."

There will be an occasion to pay formal tributes in due course. Meanwhile, consultations on the recommendation for a successor to Mr. Jennings are taking place through the House of Commons Commission.

Points of Order

4.6 pm

Mr. Ted Rowlands (Merthyr Tydfil and Rhymney): On a point of order, Madam Speaker. May I raise with you the issue that arose in Welsh questions today, especially on Question 3 from my hon. Friend the Member for Preseli Pembrokeshire (Ms Lawrence). The question was when the Secretary of State for Wales next intended to meet the Assembly Secretary responsible for agriculture. I did not quite catch all of my right hon. Friend's reply, but it appeared that he said that it was a matter for the Assembly. You subsequently intervened and said that we therefore could not continue to question him.

It is patently not a matter for the Assembly what action the Secretary of State for Wales in this House does or does not take. It is surely open to my right hon. Friend as Secretary of State for Wales to seek a meeting of any kind. As he is accountable to this House, we are entitled to ask him about such meetings.

The question was put to the Table Office and approved. I hope that you will give us a ruling that a question such as Question 3 will be perfectly in order in future Welsh Question Times and that future Welsh Secretaries of State can come to this House and answer questions.

Sir Patrick Cormack (South Staffordshire) *rose—*

Madam Speaker: I think that the hon. Gentleman wishes to make a similar point of order.

Sir Patrick Cormack: We realise that, after 1 July, with devolution, we are entering uncharted waters. We are grateful to you for the guidance that you gave the House this afternoon, but, as the Welsh Assembly does not have primary legislative or tax-raising powers, Members of this House will obviously wish to ask questions and hold Ministers properly to account. I wonder whether you would be kind enough to give some thought to this matter, and to give some guidance to the Table Office so that inappropriate questions are not allowed on the Order Paper and so that all those that do appear on the Order Paper can be pursued.

Mr. Dafydd Wigley (Caernarfon): Further to that point of order, Madam Speaker. I come to this matter as a Member of the National Assembly as well, and questions have arisen as to what competence lies where. Will you discuss the implications of this matter informally with representatives of the parties—and, perhaps, with the usual channels—so that we can have some convention, whereby we know where responsibility lies?

Mr. Dale Campbell-Savours (Workington): Further to that point of order, Madam Speaker. If money is voted by Parliament, on what basis can there be any restriction on asking a Secretary of State questions on the use of those moneys?

Madam Speaker: The hon. Member for Merthyr Tydfil and Rhymney (Mr. Rowlands) asked for a ruling, and I am always prepared to give a ruling. On more than one occasion today, I heard a Minister of the Crown say at the Dispatch Box that, as of 1 July, matters had been devolved; therefore, it was not possible for the House to trespass on matters that are the responsibility of the Welsh Assembly. Of course there are bound to be some problems when such changes are being made. I thought that I had had proper discussions with the Department concerned, and with the Table Office. Obviously, we have a long way to go to bring about improvements. However, the House can be sure that I shall use my best endeavours to see that the matters are dealt with efficiently and properly at Question Time in future.

Mr. Campbell-Savours: Further to that point of order, Madam Speaker. Could I have a written, considered response to the question I asked of you—namely, the question of moneys voted by Parliament?

Madam Speaker: Certainly. I shall look at the precise wording of the hon. Gentleman's question and see that he gets a written response.

Mr. Rowlands: I am grateful for your initial response, Madam Speaker. However, my point is narrow and specific. Question 3 was about whether the Secretary of State for Wales would seek a meeting with X, Y or Z. That is a matter for the Secretary of State for Wales, who must be accountable and answerable to this House. I should have thought it possible for us to say that such a question was in order because it related directly to the activities of the Secretary of State, who is answerable to this House.

Madam Speaker: I understand, and am sympathetic to, the hon. Gentleman's point, but I repeat what I said earlier. If a Minister of the Crown tells the House that an issue has been devolved, it is for that Minister of the Crown to know whether it is devolved or not. I cannot intervene on that. I am trying to be helpful, and I will look at the matter to see that we run smoothly in future.

Dr. Evan Harris (Oxford, West and Abingdon): On a point of order, Madam Speaker. A few moments ago, the Prime Minister, in answer to my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith), said that the number of junior doctors working more than 56 hours had fallen to 4,800, but we had established that the figure was 8,500—

Madam Speaker: Order. Points of order are matters with which I can deal. I am not a statistician—I do not know the figures. If the hon. Gentleman wishes to correct the Prime Minister, he must do so by means of the Order Paper and other questions, and not by means of a point of order.

Dr. Harris *rose—*

Madam Speaker: Is there a point of order for me as Speaker?

Dr. Harris: Yes.

Madam Speaker: Then I shall hear it.

Dr. Harris: What is the procedure for asking the Prime Minister to come back and reassure the House that if he has inadvertently misled—

Madam Speaker: Order. I thought that I had just explained that if the hon. Gentleman feels that the answer

[Madam Speaker]

was not full enough or informative enough—or even if he feels that it might have been incorrect—there is an Order Paper by which he can put written or oral questions to the Prime Minister, or to the Minister with that portfolio. That is the way to proceed.

Sir Patrick Cormack: On a point of order, Madam Speaker. I am grateful for your response to the points of order on Welsh Questions. Could you please copy to those involved the letter that you send to the hon. Member for Workington (Mr. Campbell–Savours), and place a copy in the Library?

Madam Speaker: Certainly.

Royal Hospital, Haslar

4.9 pm

Mr. Peter Viggers (Gosport): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 24, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

the closure of the intensive care unit at the Royal Hospital, Haslar, in my constituency.

Since the Ministry of Defence announced in December its intention to close the only remaining military hospital, the whole area has been united in its determination to reverse the decision. There are two reasons for that. First, the area has the strongest defence links, and those who serve in the defence medical services and those who care for our defences are distraught that the announcement, which has already led to the resignation of 15 consultants, will have a devastating effect on defence medical services and on our defence forces generally.

Secondly, Gosport will lose its main hospital with superb facilities, on which £35 million has been spent in the past 10 years. The most emotive aspect is the fact that Gosport will lose its accident and emergency cover. There is absolutely no doubt that lives will be lost in ambulances on the congested roads between Gosport and the remaining local hospitals, if the accident and emergency unit at Haslar should close.

We heard this morning that the intensive care unit at Haslar is to close shortly because of lack of staff. The announcement could have been made last Thursday when we had a meeting with all those concerned, including the head of the Defence Secondary Care Agency. The announcement might have been made on Monday, when the Minister for the Armed Forces appeared before the Select Committee on Defence with all his staff to answer concerns about defence medical services. However, the matter was left for us to discover today.

This is the latest chapter in a sad story of botch and bungle. The Ministry of Defence failed properly to consult with the national health service before announcing the hospital closure. Caught out, Ministers at the Department of Health have given repeated promises that medical care will not deteriorate after the closure of Haslar hospital, but of course it will. It cannot do otherwise.

Words cannot express the anger and frustration felt by my constituents in the face of this terrible blow to their health care. I therefore ask for the House to adjourn to allow full debate on the matter, which is of such importance to defence medical services and to all people in the area.

Madam Speaker: I have listened carefully to what the hon. Gentleman said, and of course I must give my decision without stating any reasons. I am afraid that I do not consider the matter to be appropriate for discussion under Standing Order No. 24. I therefore cannot submit the application to the House.

BILL PRESENTED

RAILWAYS

Mr. Secretary Prescott, supported by the Prime Minister, the Chancellor of the Exchequer, Mr. Secretary Straw, Mr. Secretary Byers, Mr. Secretary Reid, Mr. Secretary Michael, Mrs. Helen Liddell and Ms Glenda Jackson, presented a Bill to establish the Strategic Rail Authority and make other provision about railways: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed [Bill 133].

Empty Homes

4.17 pm

Mr. David Kidney (Stafford): I beg to move,

That leave be given to bring in a Bill to make provision for reducing the incidence of vacant dwellings; to extend the duties and powers of local authorities to that end; to require local authorities to publish empty homes strategies and to exercise their duties and powers in accordance with those strategies; and for connected purposes.

The Bill is my contribution to stopping the unnecessary building of new homes on green-field sites. We should first make the best use of existing properties standing empty. It is also my contribution to trying to ensure that all our citizens have access to decent homes that they can afford.

I know from a housing development that is taking place in Stafford just how strongly residents feel about new building on open fields on the edges of our towns and cities. Such developments detract from urban regeneration, encroach on our countryside and increase traffic.

According to the written answer to a recent parliamentary question from the hon. Member for West Worcestershire (Sir M. Spicer), there are more than three quarters of a million properties standing empty. That figure has remained fairly constant for years. Six out of every seven of them are privately owned.

The hon. Gentleman also asked why more cannot be done to use existing housing stock, rather than building excessively on green-field land. I agree. I want more to be done, and the Bill represents my ideas for action.

Local authorities have a vital role in helping to bring back into use empty properties that are otherwise up to standard. The best authorities already have empty homes strategies that inform and direct their efforts. In its guidance to local authorities, the Department of the Environment, Transport and the Regions encourages all of them to prepare and publish such strategies. Alas, a recent survey by the Empty Homes Agency of all 354 local authorities in England and Wales revealed that only about half of them have developed a formal strategy.

A good strategy can ensure that policies are based on reliable information about the scale of the problem and the opportunities that exist. It can raise awareness of empty homes as an issue that must be tackled. It can provide for targets and monitoring, and for liaison with housing partners and with residents. Such a strategy can bring together resources and priorities for using them. Help for owners can be made available through renovation grants, and help for people who intend to become tenants can be made available through rent deposit and rent guarantee schemes.

All authorities ought to set targets for reducing the number of empty homes in their areas. They should ensure that full and accurate information is assembled, that all their resources available for meeting the targets are identified and that the actions that will be taken are clearly defined and predictable.

As most of the empty properties are in the private sector, authorities must have comprehensive strategies. They must work with owners, letting agents and housing professionals; they need the support of the public; and they must set a good example by making sure that council

[Mr. David Kidney]

houses are fully utilised and do not stand empty in excessive numbers or for excessive periods. Of course, they must also have sufficient powers of persuasion and compulsion, which is where my Bill comes in.

Under the Bill, every local authority would be required to designate an empty homes officer who would be responsible for the work of the council in reducing the number of empty homes. The officer would be important for co-ordinating the work of the council across all departments and between it and other organisations. The officer should have full power to obtain the necessary information from all sources, including council records such as council tax data. Every local authority would be required to prepare and publish an empty homes strategy setting out local housing need and the number of empty homes; the targets for reducing the incidence of homes standing empty; the actions to be taken to reduce the number of empty homes; and how success would be measured.

My Bill would also allow local authorities to vary the council tax payable on properties standing empty, depending on local priorities. I envisage a range from 50 to 200 per cent. of the standard tax. The empty homes strategy would set out the criteria that would be applied to determine what rate would be charged. Currently, we appear to reward owners for keeping property empty. They are entitled to a 50 per cent. discount on their council tax if a property stays empty. Indeed, the Government have recently moved to end an even bigger seal of approval—nil council tax when a property awaiting major renovation work has stood empty for more than a year.

Additionally, my Bill would extend local authorities' power of compulsory purchase to allow them to acquire properties that are kept empty for unacceptable reasons or for an unreasonably long period. Again, the strategy would set out the criteria that the authority would apply in deciding when to exercise that power. I have come across situations in my Stafford constituency in which property stands empty, but the existing powers of compulsory purchase are not wide enough to allow the local authority to step in and buy the property.

We should consider the effects on neighbourhoods and on the immediate environment of properties standing empty for long periods. They become targets for vandalism and a honeypot for crime. They lower the prices of surrounding property and attract fly tipping. Those are all deeply unattractive consequences for other residents. We should consider it socially unacceptable for good homes to be allowed to stand empty, to deteriorate and to bring down standards for neighbours as well.

In introducing the Bill, I thank those who have helped and supported me. The Empty Homes Agency, which is a charity, has given me enormous support through Ashley Horsey, its energetic chief executive and successor to the redoubtable Bob Lawrence. Similarly, the charity Shelter has helped—I should say inspired—me to keep up the pressure for housing policies that give everyone the chance of somewhere decent to live. I also thank the Law Society, which has assisted me with the drafting of my Bill, and of course my supporters, who come from all the main parties.

Will my ideas become law? I am sure that they will. Perhaps it is too late in the Session for the Bill to reach the statute book, but I have high hopes that much good will come of it. Since I proposed it, Lord Rogers has reported on the work of the urban task force. The report looks at the prospects for the Government meeting their target for 60 per cent. of new homes to be built on brown-field sites. I am delighted that all three of my main suggestions—the empty homes strategy, variable council tax and a wider power of compulsory purchase—appear in the 100 recommendations.

The task force has identified empty commercial property in addition to empty homes that could be used to provide homes for people. That raises to 1.3 million the number of homes that could be provided before we turn to new house building to meet the anticipated demand for more homes.

The Government have promised to produce a housing Green Paper later this year, which encourages me to believe that they may also produce a housing Bill. Such a Bill would, of course, be expected to deal with other important issues relating to homelessness, standards of fitness and an adequate supply of social housing; but I hope that the Government will also give careful consideration to my Bill, and to the suggestions that I have made.

Tackling the scandal of empty homes is essential for planning and for social reasons. It is also a priority that I believe would command widespread public support. Most important of all, it will help us to meet real, compelling housing needs.

Question put and agreed to.

Bill ordered to be brought in by Mr. David Kidney, Dr. Vincent Cable, Mr. David Curry, Mrs. Llin Golding, Mr. David Lepper, Mr. Andrew Love, Siobhain McDonagh, Ms Margaret Moran, Mr. Peter Pike and Mr. Jonathan Shaw.

EMPTY HOMES

Mr. David Kidney accordingly presented a Bill to make provision for reducing the incidence of vacant dwellings; to extend the duties and powers of local authorities to that end; to require local authorities to publish empty homes strategies and to exercise their duties and powers in accordance with those strategies; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 23 July, and to be printed [Bill 134].

Opposition Day

[17TH ALLOTTED DAY]

Dairy Industry

Madam Speaker: I have selected the amendment in the name of the Prime Minister.

4.26 pm

Mr. Tim Yeo (South Suffolk): I beg to move,

"That this House notes that, since 1st May 1997, the farm gate price of milk has fallen by over a quarter, the price received by farmers for cull cows has fallen by over one third and the income of dairy farmers has collapsed; condemns the Government's failure in recent CAP negotiations to secure any immediate increase in milk quota for mainland Britain whilst conceding increases for other EU countries; deplores the delay in publishing the Monopolies and Mergers Commission report on Milk Marque, thus needlessly damaging confidence in the industry; expresses concern that outbreaks of TB have risen substantially; and urges the Government to remedy this crisis by addressing these issues, ending its disgraceful neglect of the dairy industry, strengthening Milk Marque and implementing the Krebs Report without further delay".

I welcome the presence not only of the Minister of Agriculture, Fisheries and Food but of the Secretary of State for Trade and Industry. It is rare for not just one but two members of the Cabinet to attend an agriculture debate—although both represent urban seats. *[Interruption.]* Who knows? Perhaps in a week or two the Government will dredge up someone with a rural seat to speak on these matters.

I shall have a word to say to the Secretary of State in a moment, but I shall start with the Minister. It is almost exactly a year since his appointment to his post, and I think even he would acknowledge that it has been a year of appalling crisis for agriculture. British farmers today face worse conditions than farmers have faced for a generation. Total income from farming has halved since Labour came to power, and the agony has been spread throughout the industry. Cereal prices have fallen by a third, livestock prices by a quarter and milk prices by well over a fifth. Collapsing prices mean collapsing incomes; they mean the destruction of family farms; they mean the loss of jobs in the countryside. There is not much of a new deal there.

Astonishingly, during this year of crisis the Government have not arranged a single agriculture debate. The only debates initiated by them in which the Minister has taken part have been on quarantine and on the Food Standards Bill. Not a moment of Government time has been used to allow Parliament to consider the plight of British farmers. The Minister may be a good listener outside, but he has not been keen to listen to Parliament. I suppose that, in that respect, he is following the example of his leader.

Although the Opposition control only a fraction of parliamentary time, this is the third occasion on which they have raised the problems of farming in a full-scale debate. Sadly, it is all too typical of Labour's attitude to the countryside that it should try to ignore this crisis completely. Labour's contempt for agriculture was exposed in its recent paper "Rural England: a discussion document", which set out the party's so-called vision for the countryside—a vision that occupied a whole page of that rather brief publication. Labour's vision for the countryside includes not a single mention of farming or of farmers.

I think that, to be fair, we can partially exempt the Minister from these criticisms. Occasionally, I have heard him, both inside and outside the House, offering sympathy to farmers. He seems at least to have impressed the Duke of York. Perhaps that is why we read that the Prime Minister is to move the Minister on. Perhaps the Prime Minister fears that, if the Minister were to stay another year, his sympathy might even be turned into action; or his warm words might be matched by some daring deeds; or comparisons between his predecessor's extravagance and his own rather admirably frugal travel and entertainment spending may be causing embarrassment to the Cabinet enforcer.

Today, we shall focus on the dairy sector. In spring 1997, just before the general election, farm gate prices for milk were about 14p per pint. The latest farm gate prices for milk are less than 10p per pint. In the past two years, the value of Britain's milk production has fallen by more than £750 million, and the impact on dairy farmers has been devastating.

Ms Jackie Lawrence (Preseli Pembrokeshire): The hon. Gentleman mentioned milk prices in spring 1997. Statistics from the Ministry of Agriculture, Fisheries and Food show that, in spring 1997, the price was 11.65p a pint; and that the current price is 9.96p a pint. That is a 10 per cent. decrease. Between July 1995 and the 1997 general election, however, the price per pint fell by a massive 24 per cent.

Mr. Yeo: Unfortunately, the hon. Lady is quoting from exactly the same sheet from the Library as I am. She has chosen—if she cares to tell the whole truth—the April 1997 figure, which was 11.65p per pint. However, at no time in the previous three years—I have the monthly figure for every month of those three years—did the price fall below 13p a pint. In January, February and March 1997, the price was 13.7p, 13.5p and 13.46p per pint. Furthermore, as I said, for the whole of the previous three years, the figure was as I have just quoted it.

If the hon. Member for Preseli Pembrokeshire (Ms Lawrence) is trying to make a point by so selectively using statistics, I am grateful to her for giving me the opportunity of proving absolutely clearly that the milk price for the whole of the latter period of the previous Government was substantially above even the level that I have quoted.

Mr. Andrew Robathan (Blaby): It is true that, when the previous Government were in office, farmers complained to me—as they complained to my hon. Friend—about many things. However, the one thing that they never complained about was dairy farming. Dairy farmers did incredibly well under the previous Government.

Mr. Yeo: My hon. Friend must talk to different farmers, because I have never met a farmer of any type who does not complain about something.

The Prime Minister likes talking about hard choices. Unfortunately, when it comes to farming, the choices that Labour makes are hard not for Ministers, but for farmers. Farmers in the dairy sector are used to long hours, but they are now having to get used to small rewards.

[Mr. Yeo]

Earlier this year, the Government had a chance to help dairy farmers. On 11 March, Agriculture Ministers completed their discussions on common agricultural policy reforms. I am sure that the Minister remembers it well—I think it was late at night. According to *The Times* of the next day, the Prime Minister's spokesman said that the outcome

"is not satisfactory as far as we are concerned".

I think that, for once, we can all agree with him.

The deal proposed that milk quotas—which currently prevent Europe from responding to growing world demand for dairy products—should continue until 2006, and that, although Britain's milk quota should be frozen until 2003, four other countries—Greece, Spain, Ireland and Italy—should enjoy higher milk quota next year. Increased Irish milk quota damages Britain. Imports of dairy products from Ireland will rise, and thereby undermine British dairy farmers. The deal was bad enough, but when the Prime Minister discussed it with Heads of other Governments later that month, they decided that quotas should stay not until 2006 but until 2008.

Mr. Dale Campbell-Savours (Workington): May I ask the hon. Gentleman a question that requires a simple answer? Is it the position of the Conservative party that milk quotas should be completely ended?

Mr. Yeo: Yes. The position is clear. We believe that milk quotas cannot continue in the long term if we are to meet World Trade Organisation obligations and if Europe is to take advantage of increasing market opportunities for selling dairy products. Britain cannot continue to be penalised by allowing Ireland an immediate increase in milk quota next year while ours is frozen for four years.

Mr. Campbell-Savours: Will the hon. Gentleman give way?

Mr. Yeo: No. The hon. Gentleman has been noticeable by his absence from agriculture debates over the past year. He has had his chance to intervene.

The deal is bad for Britain. We have some of the best dairy-producing land in Europe, but our farmers are prevented from meeting the demand even of home consumers. In recent years, around a third of our butter and cheese requirements have been met by imports. More than 10 per cent. of dairy products are imported. Ireland, by contrast, produces four times the amount of dairy products needed to meet its home demand.

Farmers might have hoped that the Prime Minister would bat for them and for Britain when he negotiated with his European colleagues, but he has bowled them out instead. With his eyes fixed on the headlines that he wanted about Britain's budget rebate, he allowed the deal, which his own spin doctors had already rubbished, to be made even worse. That is new Labour at work. If there is a chance to help the foreign farmer, new Labour take it. If there is a chance to hit the British farmer, new Labour take it. At the very moment the Minister of Agriculture, Fisheries and Food was telling farmers that he supported them, the Prime Minister was bashing them.

Mr. Lindsay Hoyle (Chorley): Following his announcement about ending milk quotas, does the hon. Gentleman realise that removing all quota would make the milk price plummet? He would completely flood the market.

Mr. Yeo: That is not necessarily so. Farmers will be allowed to produce where there is local demand. By their nature, milk products do not travel great distances, and transport costs make it uneconomic too. It is not satisfactory that Britain, which has the potential to produce high-quality dairy products, should be forced to import them because of quotas.

Mr. Campbell-Savours: Will the hon. Gentleman give way?

Mr. Yeo: The hon. Gentleman has had his chance. He has shown more interest in agriculture today than over the whole of the previous year.

Labour's common agricultural policy reforms will mean more food imports against which British farmers cannot compete because of quotas. It is no surprise that Labour has not organised a debate about dairy farming. Previous Conservative debates have helped farmers, forcing the Government to act. On 4 November, during an earlier Conservative debate, the Minister heralded an announcement made 12 days later of an emergency aid package for farmers, worth more than £100 million. On 21 April, during our debate on the livestock sector, the Government announced that specified risk material removal charges would be postponed for a year, resulting in an extremely welcome £21 million reduction in the burden on slaughterhouses, even though the high cost of regulation continues to inflict serious damage.

Today, the Government were forced to act even before the debate had started. Yesterday, the long overdue Monopolies and Mergers Commission report on Milk Marque was published. It had been delivered to the Secretary of State for Trade and Industry on 26 February. More than 18 weeks later, the announcement of an Opposition Day debate was required before the report came out. Even the printers thought that it would come out earlier. The title page of my copy has a sticker on it, saying "July 1999"—but it is stuck over the words "June 1999". The publication of the report is welcome, but publication is not enough. So I trust that when the Minister speaks he will have more to offer.

Mr. Patrick McLoughlin (West Derbyshire): Does my hon. Friend agree that July was chosen rather than June, which may have been the Secretary of State for Trade and Industry's preferred date of publication, because it is well after the European elections; and that spin doctors who were acting in party political interests blocked No. 10 and prevented publication of the report?

Mr. Yeo: My hon. Friend makes a telling point. There is no doubt that the Government realised that the report was likely to produce a hostile reaction in many rural areas where they were afraid of doing even worse than they actually did in the recent elections.

Mr. John Bercow (Buckingham): Given that we have had to wait even longer for the publication of the MMC report than we customarily have to wait for the Prime Minister to provide a straight answer to a straight question—specifically, 130 days—does my hon. Friend

agree that it will be an additional source of anxiety and damage to the British dairy industry that the Secretary of State is giving the Director General of Fair Trading some six months to come up with proposals for reforming the system? Does that not threaten a substantial increase over and above the existing forecasts of the likely decline in the number of producers in the sector?

Mr. Yeo: My hon. Friend is quite right. It is intolerable that yet more uncertainty has been heaped on the sector after having to wait for so many months. It is now one and a half years since the inquiry began.

I now turn to the contents of the report, which has suffered from having spent too long addressing a fast-moving target. Milk Marque's share of the supply of milk in Britain fell from almost 50 per cent. when the MMC started considering the issue to under 40 per cent. in the current year. That huge reduction is continuing, yet the report's conclusions seem to be largely based on the 50 per cent. figure. In such a fast-moving environment, the long delay in publication has further devalued the document. Despite having wasted so much time, Labour has drawn the wrong conclusion, because the overriding need is for Milk Marque to be able to match its European counterparts and invest in processing.

Producer organisations are important in most large milk producing countries. To remain viable in the face of international competition, they need the benefit of the vertical integration which is currently denied to all farmers who have voluntarily decided to remain in the co-operative that constitutes Milk Marque. Instead of allowing Milk Marque to compete with other bodies at home and abroad, the Secretary of State has dithered. He has stopped short of absolute refusal and is saying instead, "Well, no—unless the Director General of Fair Trading decides that Milk Marque can carry out more processing," thus creating more uncertainty and more scope for bureaucratic intervention.

Mr. Eric Martlew (Carlisle): I remind the hon. Gentleman that I regularly take part in agricultural debates. I also know that the motion on the Order Paper was written yesterday. Given the fact that the MMC found that Milk Marque had exploited the situation, does he still believe that it should be strengthened, as proposed in the motion?

Mr. Yeo: I certainly do, as I wrote the motion myself. I am not persuaded by the allegations in the report that Milk Marque has exploited the situation. Admittedly, I have not read all 580 pages of the report, but I have studied it overnight. I do not find the evidence compelling, nor do many of the people whom I spoke to this morning. I hope that the Minister will tell us what he thinks of that and what effect it will have on dairy farmers.

While I welcome the commonsense decision of the DTI not to split up Milk Marque, which was scarcely necessary given the fact that its market share was declining so quickly, the whole thrust of the document and the Government's response to it is to put downward pressure on prices. Even farmers who are not part of Milk Marque will be astonished by the claim that its activities have kept farm gate prices artificially high. Instead of responding to an alleged but unproven monopoly, the Government should look at why processing costs are higher here than they are in Europe.

Mr. Tim Collins (Westmorland and Lonsdale): I invite my hon. Friend to ignore the comments of the hon. Member for Carlisle (Mr. Martlew). Having spoken this afternoon to members of the Cumbrian NFU, I can assure him that the hon. Gentleman does not speak for Cumbria; indeed, on the basis of the local and European election results, he will not speak for Carlisle much longer either.

Mr. Yeo: My hon. Friend makes a powerful point. The swing in the local elections was indeed startling.

The Government should examine why lower farm gate prices are not replicated on the supermarket shelf; why in some shops milk costs less than water; and why in British shops milk is often cheaper than abroad, unlike some other food items.

Mr. A. J. Beith (Berwick-upon-Tweed): I want to reinforce a point that the hon. Gentleman made earlier. Is he aware of the complaint of dairy farmers in my constituency that, having been prevented from operating a vertically integrated producer co-operative, their alternative now is to sell to a company that is a subsidiary of a Danish co-operative which has 95 per cent. of its home market?

Mr. Yeo: The right hon. Gentleman is right, and the present situation will simply reinforce such absurdities.

The Government should examine the disparity between the fall in farm gate prices and the much smaller fall in supermarket prices, even if it means upsetting some of their friends, old or new, in the retail industry. Lower farm gate prices mean more dairy farmers going out of business, others working for less than the minimum wage, and more reliance on imports, which could become more expensive if the pound weakens. That would not be in the interests of farmers, consumers or retailers.

A Milk Marque free to invest in processing would improve competition; a weak Milk Marque, shackled by Government restrictions, cannot do so. Eventually, Milk Marque may no longer be able to act as the buyer of last resort.

Mr. David Drew (Stroud): I agree with much that the hon. Gentleman has said about Milk Marque. Why did not the Conservative Government of whom he was a member set up a slightly different system so that many of the problems that we have to deal with did not arise?

Mr. Yeo: When Milk Marque started, it exercised a near monopoly. Because of its evolution in the past four years, we should move to the next stage and give it the commercial freedom to act as similar organisations in other European countries do, successfully and without detriment to competition.

If Milk Marque is not able to act as the buyer of last resort, some dairy farmers may find that there is no one to buy their milk. We need a small number of viable producer groups competing vigorously, and Milk Marque should be one of them. I hope that the Minister will be able to persuade his colleagues to see sense.

[Mr. Yeo]

Dairy farmers have been damaged by the Government's failure to achieve a resumption of beef exports. Last November, the Minister triumphantly announced in the House that the beef export ban was being lifted, but eight months later not a single ounce of beef has been exported from the British mainland. The calf processing aid scheme is due to end at the end of July. Scrapping the scheme before beef exports restart is simply wrong. It will lead to huge calf surpluses and cut farmers' returns once again.

Even at this late stage, I urge the Minister to consider extending the scheme. If he really believes, as he said a couple of days ago, that beef exports will start again very soon, why not allow the scheme to run if only for another three months? Does he not recognise that not doing so means that some farmers face the prospect of rearing calves that are worthless, which itself may have animal welfare implications?

Another serious problem for dairy farmers is the growing threat from tuberculosis. Last year, there was a 45 per cent. increase in tuberculosis, but the Government have been slow to implement the Krebs report. Only two out of 10 triplet areas have so far commenced trials, which means that it will be 2004 before the trials are completed.

That go-slow on Krebs is needlessly prolonging the period before decisions are taken on how to tackle the problem. The vast majority of farmers are law-abiding and responsible, but if they see years of delay ahead before the Government make up their mind, a few may be tempted to take matters into their own hands.

Farmers are naturally concerned by recent reports that the European Commission plans to scrap school milk subsidies. The subsidy scheme allows primary schools to provide milk to millions of children across Europe. Although the response has been disappointing in other countries, the scheme has been taken up enthusiastically here.

The European Commission apparently does not regard that as a sufficient reason to continue the scheme. Will the Minister say what the current position is? I hope that he will be willing to act on the matter, as he has not been willing to do on some other European issues. Belgium's failure to inform Britain about possible contamination of Belgian dairy food products passed almost without criticism from the Minister, except for a brief reference in his statement to the House on 8 June. After his missing weekend, the Minister himself was one of the last to know.

The Minister of Agriculture, Fisheries and Food (Mr. Nick Brown): In fact, I described the matter in the House as a scandal. My remarks were widely reported in the Belgian press, so the hon. Gentleman's suggestion that it passed without comment is very wide of the mark.

Mr. Yeo: I shall be interested to see the press cuttings on a matter that the Minister says was widely reported in Belgium.

The new Food Standards Agency will not be able to do much to protect British consumers if other countries do not bother to tell us about the possible contamination of imports. If the Minister is so willing to criticise the Belgians, why has he not written a strong letter of protest to his Belgian counterpart? Can he imagine what would have happened if the roles had been reversed? Does he not realise that a written protest might at least encourage the Belgians to contact us more promptly in future?

The issue of labelling has also featured regularly in debates about farming, and it is relevant to dairy farmers. Last month, *The Daily Telegraph* revealed that Sainsbury supermarkets were selling butter labelled as

"pure, slightly salted English butter"

when in fact it contained Belgian ingredients. That is just the latest in a long line of cases in which British consumers have been misled and British farmers penalised.

I know that the Minister acknowledges that the need for better labelling is very urgent. British consumers are too often in the dark about the true origins and contents of the food that they buy and about the methods by which it is produced. Milk quotas prevent Britain from meeting its dairy product needs. Imports will be a fact of life until the quota system is changed, so let us at least have clarity and honesty about which products are imported and which are genuinely produced at home.

Dairy farmers throughout the country will study the Minister's speech today. For some, his remarks will decide whether they remain in business. He must give the House five pledges today to reassure dairy farmers that they have a future. He should pledge that he will fight for an immediate increase in Britain's milk quota; that he will allow Milk Marque to invest in processing; that he will extend the calf processing aid scheme until beef exports resume; that he will start the remaining Krebs trials at once; finally, that labelling of dairy products will be simple, clear and honest.

Any—and preferably all—of those measures would have the Opposition's full support if they were announced today. I commend the motion to the House.

4.53 pm

The Minister of Agriculture, Fisheries and Food (Mr. Nick Brown): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"recognises the economic difficulties faced by the dairy industry; supports the Government's efforts to reform the Common Agricultural Policy during the recent Agenda 2000 negotiations in order to move towards a freer, more competitive market; welcomes the publication of the Monopolies and Mergers Commission report on the supply of raw milk; notes its conclusions and looks forward to a new selling system being in place which meets the needs both of consumers and the dairy industry; endorses the Government's view that the industry itself must help shape its own future; and congratulates the Government for its support for industry initiatives to achieve this."

I am grateful to the hon. Member for South Suffolk (Mr. Yeo), the Opposition spokesman, for again securing Opposition time for a debate on agriculture. He is right to say that Government time has not been used for such a debate, but, whenever I ask our business managers for a debate in Government time, they tell me that a debate in Opposition time is coming up and suggest that I make my announcements then. The hon. Gentleman is also right to say that I have taken full advantage of that in the past, and the Government intend to do so again now—hence my gratitude to the hon. Gentleman.

The shadow Cabinet is clearly approaching this topic in a singled-minded way. When I looked at the motion, I thought that the speed with which the shadow Cabinet

was disowning the approach that the Conservatives adopted to these matters when they were in government was quite breathtaking. In his speech, the hon. Member for South Suffolk attempted to correct the Opposition's position, although their motion gives no hint of that.

In any event, the debate gives us two important opportunities. First, it gives the House the opportunity to debate the way forward for the United Kingdom's dairy industry, which is our largest agricultural sector. Secondly, and more specifically, it gives my right hon. Friend the Secretary of State for Trade and Industry the opportunity to deal with the questions that have been raised by the Competition Commission's report on Milk Marque, and to respond to it. The whole House will be grateful to the Secretary of State for winding up the debate on behalf of the Government and for referring specifically to that report. I will leave that aspect of the motion to him and concentrate on the other matters that the Opposition have raised.

Before I do so, the House will want to know that I have agreed to meet Milk Marque on Monday and the Dairy Industry Federation later that day. I am meeting Mr. Ben Gill, president of the National Farmers Union, immediately after the debate. I also intend to hold discussions with agriculture Ministers representing the devolved Administrations, and with other producer representatives, particularly those from dairying communities.

Mr. Robert Jackson (Wantage): Before he moves on to another topic, will the Secretary of State recall his warm words to me in answer to a question about the importance of encouraging the co-operative principle in agriculture? Will he draw the attention of the Secretary of State for Trade and Industry to that important consideration, because it is absolutely fundamental to enabling Milk Marque to compete on a level playing field throughout Europe's processed dairy products market?

Mr. Brown: I strongly believe in producer co-operation. I am an advocate of it. Indeed, I echoed my remarks to the hon. Gentleman in my comments at the royal show on Monday. I said that those points would be taken into account when the Government responded to the competition report and that a statement was imminent.

Mr. Peter Luff (Mid-Worcestershire): There is one important issue in relation to the forthcoming milk round. It is important to clarify it now, given that the Minister will not speak at the end of the debate. Will he confirm that the forthcoming milk round, in which only 36 per cent. of milk sold will pass from Milk Marque, will be unaffected by the recommendations that he announced yesterday?

Mr. Brown: The short answer is yes. The Secretary of State for Trade and Industry intends to deal specifically with that point in his winding-up speech.

Mr. Nick Ainger (West Carmarthen and South Pembrokeshire): I am grateful for the clear consultation on which my right hon. Friend intends to embark, literally in the next few hours and days. Once he has met the industry representatives to whom he referred to earlier, will he agree to meet a delegation from west Wales and other parts of Wales, which have the highest proportion of Milk Marque members, who are clearly directly affected by the publication of the Monopolies and Mergers Commission report?

Mr. Brown: I am mindful of the responsibilities of the devolved Assembly and of the Minister there. Nevertheless, if my hon. Friend wishes to bring a delegation of his farmers to meet me, I shall be willing to see them. I make the offer, in as much as I reasonably can, to other hon. Members as well. Although I am willing to meet representative groups, please do not place me under siege. I accept that it is my responsibility to get the industry through. I accept the responsibility that goes with my office.

Mr. Paul Tyler (North Cornwall): I welcome what the Minister has said. He will recognise that Cornwall does fall within his area of responsibility—we have no delegated government there yet. I can confirm that, after possibly Pembrokeshire, Cornwall has the largest number of Milk Marque suppliers.

Mr. Brown: I fully appreciate that. During my visits to Cornwall and the west country, that point was made to me over and again. I understand the anxiety. If the hon. Gentleman wishes to see me with some of his farmers—I can see what I shall be doing next week—I am willing to see them as well. This matter is important for the dairy industry because livelihoods are at stake. It is right that the Government not only set out their response to the report but help the industry to get through. I promised the dairy industry that I would work with it to get it through these difficult times, and that is exactly what I am doing.

The Opposition motion begins by referring to the fall in milk prices, the prices received for cull cows and dairy farm incomes. Of course, those are not all one issue. As we have discussed, the problem is partly cyclical and partly structural.

Mr. Christopher Gill (Ludlow): I am grateful to the right hon. Gentleman for giving way. Before he moves on to the generality of the points that he has outlined, may I ask him about the Monopolies and Mergers Commission report? He must realise the great significance of the report to the dairy industry, for which he is responsible. Is he mindful of the fact that, when we talk about milk, we are talking about a commodity? Does he realise how difficult it is, particularly in a modern, competitive world, to handle all the problems associated with a commodity? Having been involved in another commodity for most of my working life, I must say that it is now imperative that anyone in a commodity business is allowed to add value, otherwise, one simply cannot survive. The right hon. Gentleman must have strong words with the Secretary of State for Trade and Industry, make that point and win it.

Mr. Brown: The hon. Gentleman will have heard me say, in the general context of difficulties in the livestock sector, that one way forward is producer co-operation and co-operation to achieve added value, which means vertical integration. That issue is at the core of the problems that we are tackling. We need to see how that can be achieved in the dairy sector and be compatible with competition policy.

My right hon. Friend the Secretary of State will have more to say about that when he replies, but please do not think that I have changed my views, or that I will move

[Mr. Brown]

from trying to help the dairy industry get through what I acknowledge are difficult times, as I have helped other sectors—the hon. Gentleman knows about the pig sector—to what I hope will be better times, to return to profitability and to ensure that those who work so hard in agriculture get a return on their investment and hard work. That is my objective.

Miss Anne McIntosh (Vale of York) *rose—*

Mr. Brown: I will give way, but I am conscious that the Opposition were generous enough to allow a Government statement on an Opposition day, which is unusual. Obviously, it is an important statement. I will take interventions, as I know that there is much interest in the House, but I do not want to keep hon. Members out of the debate.

Miss McIntosh: I am grateful to the right hon. Gentleman. When he and my constituent, Ben Gill, meet, I am sure that the plight of dairy farmers in the Vale of York will not be far from their thoughts. Milk Marque has made a major investment in its first presence in the Vale of York. Will he ensure that that investment is secure for the foreseeable future?

Mr. Brown: That matter is better left to my right hon. Friend the Secretary of State for Trade and Industry. I want to ensure that Milk Marque gets through the competition report and that it is possible for dairy farmers to work co-operatively together, through producer organisations, so that, if they decide to do so—these are market judgments for them—they can take advantage of vertical integration. Having seen the report, I doubt whether they will be able to do so with Milk Marque entirely in its present form. I do not want to hold out hopes. However, those are matters for the Secretary of State.

Mrs. Ann Winterton (Congleton): I am grateful to the right hon. Gentleman for giving way on this important issue. Further to the intervention by my hon. Friend the Member for Ludlow (Mr. Gill), is it not a fact that the industry desperately needs new investment in processing? Is not one reason for the state of processing in this country the fact that there has been no real investment? If we are to compete satisfactorily, we must have more investment.

Mr. Brown: I certainly think that adding value and, therefore, investing in processing, is an important way forward for the domestic industry. I am not pessimistic about the industry's future. Part of the problem is cyclical, and part structural. Clearly, using the opportunities of vertical integration is one way for dairy farmers to proceed. What the hon. Lady says is right.

Mr. Bercow rose—

Mr. Brown: I will give way to the hon. Gentleman, but then I would ask Opposition Members to allow me to complete my speech, unless some matter arises out of it.

Mr. Bercow: I am grateful to the right hon. Gentleman for giving way. He will be aware that the long-term trend had been towards a 3 per cent. reduction in the number of dairy producers, until the Lloyds TSB report in 1997, which forecast that, between 1997 and 2000, the figure would be 14 per cent. In the light of the announcement by the Secretary of State for Trade and Industry that the Director General of Fair Trading will have six months in which to produce recommendations for changed procedures, can the right hon. Gentleman confirm that he has discussed that matter with his right hon. Friend and made him aware of the possible increase in the number of producers who would go out of business in the interim?

Mr. Brown: Views are shared within government, but decisions on this matter of the competition authorities are for the Secretary of State for Trade and Industry alone. The responsibility is not shared. *[Interruption.]* I am afraid that that is how it works—and how it worked under the previous Government. Of course I am able to express an opinion within government, just as other Ministers can. What the hon. Gentleman says about the long-term trend is right. There is a tendency for farm businesses to amalgamate and to grow larger, and that is particularly pronounced in the dairy sector. There is nothing new about that. The economic cycle may exacerbate that trend. It is my responsibility to ensure that the Government have a policy that helps small and medium farmers get by where they can, as well as concentrating on more market-oriented business operations.

Although the hon. Member for South Suffolk rightly set out the fall in farm incomes and related it to the dairy sector, he did not make very much of the Conservative Government's deregulation of the industry and the intensive competition among processors to secure supplies of milk, which was the immediate consequence of deregulation and which, of course, forced up milk prices. Those pressures have now eased and prices have consequently weakened in the marketplace.

The motion uses the word "collapsed" in the context of dairy farmers' incomes, yet there is still a market for dairy quota. Agricultural land for dairy farming is still traded at a rate of about 2.5 per cent. of farms for sale per annum—a figure that has remained reasonably static since 1993. The size of the national dairy herd has declined only slightly in recent years. Indeed, agricultural land values are rising.

The Government monitor total agricultural bankruptcies, which peaked at about 500 in 1992 and fell back to 222 in 1998. Bankruptcy is, of course, a measure of last resort. Most farmers leaving the industry do so in an orderly way by selling up and realising their assets, including the value of milk quota. There is a steady, long-term trend in the sector towards fewer large dairy farms.

Mr. James Gray (North Wiltshire): Will the Minister give way?

Mr. Brown: The hon. Gentleman should let me finish my point; I know what he is going to come back on.

Many people envisage a future for the industry. There is a perfectly proper debate to be had about the industry's shape and structure, and the way in which the common agricultural policy and national Governments should provide continuing support to the sector, as the Government are committed to doing.

Mr. Gray: The industry and the House will be appalled by the complacent nature of the remarks that the Minister

has just made about the dairy industry. In my speech, if I am lucky enough to catch your eye Mr. Deputy Speaker, I shall expand on the poverty and hardship among dairy farmers in my constituency. In the short term, does the Minister accept that the 8p a pint that farmers in my constituency get for their milk is the lowest price since Labour was last in power in 1979? Is not that a mark of how awful the situation is in the dairy industry?

Mr. Brown: I have accepted that prices are depressed. Indeed, we explored earlier, with the hon. Member for South Suffolk, the Front-Bench spokesman, whether it was Conservative party policy to keep prices artificially high by accepting what is called the traditional European model of agriculture with quotas and tariffs, or to work towards a rational, market-oriented solution. To his credit, the hon. Gentleman endorsed the policy that the Conservative Government followed, which was to work towards a market-orientated solution.

The hon. Member for North Wiltshire (Mr. Gray) said that, because I explained that there are people who still have confidence in the industry, the Government are complacent. There is nothing complacent about expressing confidence in an industry and saying that the Government will do their best to get it through difficult times.

Mr. Gray: Farmers are going bust.

Mr. Brown: The figures that I have just quoted—I checked the point about bankruptcy—show that farm bankruptcies were at a peak in 1992, not now. That responds to his point.

Several hon. Members *rose—*

Mr. Brown: I shall give way first to the right hon. Member for Bridgwater (Mr. King).

Mr. Tom King (Bridgwater): I sympathise with the right hon. Gentleman on one problem. He is dependent on the information that reaches him. A lot of the statistics and information that he receives are out of date. In some cases, there is a considerable time lag before the effects of recent events become evident in the statistics. I have represented farmers in this House for 30 years and I have never been more deeply worried about the situation for dairy farmers. I have had the most distressing meetings in farmers' kitchens with farmers and their sons asking me about their future and whether they should stay in dairy farming or sell up now while they can, while their land, their animals and their quota still have some value. As there are no longer any regional advisory boards, I hope that the right hon. Gentleman has a more immediate finger on the pulse of the dairy industry than the statistics that reach him. The industry may be facing a more serious situation than he realises.

Mr. Brown: I accept what the right hon. Gentleman says. He makes his points sincerely and well. He is right to say that there is a lot of uncertainty in the marketplace, particularly in the dairy sector. My duty is to give as much certainty as I can about the public support regime and ensure that people are properly advised on what would be a rational business decision for their future. To say that the entire dairy sector faces ruin, which is the thrust of the Opposition motion, is wrong and goes too far. There are difficulties, we are going through a period of restructuring and the issues have to be dealt with rationally, but it is not right to go further than that and instil fear where it is not necessary.

Mr. William Cash (Stone): I endorse the comments of my right hon. Friend the Member for Bridgwater (Mr. King). My dairy farmers in Staffordshire are deeply worried, but it is not just a local phenomenon. In the 15 years that I have represented my area, I have never seen anything as bad. Cheques are bouncing, people are in despair and young people are saying that they have no future. I am still waiting to hear something constructive from the Minister. He has given us a lot of words, but no policy. I have heard nothing in response to the charges made by my hon. Friend the Member for South Suffolk (Mr. Yeo). I have heard no answers to any of the questions asked by any of my hon. Friends. It is important that the Minister understands the urgency of the situation and the need for action.

Mr. Brown: I understand the seriousness of the situation. Farm incomes have fallen for two years running and prices are depressed. That is the core problem. I have something to say about those points, but I have also been generous in giving way. The hon. Gentleman cannot have it both ways.

Mr. David Lock (Wyre Forest): I shall be as brief as I can. I, too, have met farmers who are very concerned, but I am sure that they would be far more concerned to hear the Opposition's proposals to remove quotas and reduce prices to world levels. Does my right hon. Friend agree with paragraph 2.17 of the Monopolies and Mergers Commission report, which suggests that a cut of 30 per cent. would be needed to bring EU prices down to world levels? Would not the removal of quota and a reduction to world prices inevitably produce the collapse in prices that the Conservatives are complaining about?

Mr. Brown: What the motion says and what the hon. Member for South Suffolk has said are not quite the same. The motion refers to an immediate increase in CAP quota. I shall have something to say about that in a moment. We do not know what the world market price for milk is. The CAP supports production in the European Union. The other major suppliers also have support regimes for their products. The totally liberalised market in New Zealand cannot supply the entire world market at the competitive price that everyone says that it would. The big regimes in the United States and the European Union will continue to support the dairy industry, at considerable cost, for many years.

Mr. Andrew George (St. Ives): The picture that the Minister painted earlier is not reflected in my constituency. The farmers whom I have spoken to in recent weeks and months are on their knees. I should be grateful for some advice. The conditions should be right. We have the highest average dairy farm sizes in Europe, the safest milk with the highest bacterial quality in Europe and an ideal environment for low-cost fodder production, yet we have the lowest farmgate milk prices. With the best environment for a competitive dairy industry, why is confidence at an all-time low?

Mr. Brown: A range of factors is involved. The explanation is partly cyclical. People are also wondering

[Mr. Brown]

where the outcome of the CAP round will lead the industry in the medium term. The point about prices being lower in the United Kingdom than in the rest of the European Union is true, but it has been true since 1985.

Mr. Campbell-Savours: Will my right hon. Friend comment on the response of the hon. Member for South Suffolk (Mr. Yeo) to the intervention of my hon. Friend the Member for Carlisle (Mr. Martlew)? The hon. Member for South Suffolk made it clear that the Tories want to do away with quotas. When he was asked whether that would lead to a collapse in prices, he said that it would not, because farmers would be allowed to sell only in local markets. [HON. MEMBERS: "No he did not."] Check the record. He said that they would be allowed to sell in local markets, which implies a restriction. There is no conceivable restriction that can be used other than quotas. We have blown a hole in Conservative policy on milk pricing. I hope that the farming industry notices what the Conservatives are saying.

Mr. Brown: The Government are not contemplating issuing end-user certificates with dairy quota. As I have explained before, I believe in a reformed dairy regime within the CAP, worked out in discussions with our major trading partners to restructure our support for agriculture.

Mr. Luff: Am I right in saying that the Government—constructively and rightly—formed an alliance with other member states, including Italy and, I think, Denmark to secure the abolition of milk quotas in the most recent CAP round?

Mr. Brown: I am going to move on to that. I see that Conservative Members are so eager with excitement that they are going to sit still, not intervene and let me get to the point.

The flaw in the Conservative motion—although not in what the hon. Member for South Suffolk said to the House, which was closer to the position that the Conservatives adopted in government—is that it complains about the weakness in the domestic market and the fall in the milk prices, then goes on to demand that more dairy quota should be issued immediately in Great Britain, which would increase supply and bring prices down. The motion contradicts itself.

Mr. Yeo *indicated dissent.*

Mr. Brown: If the hon. Gentleman believes that issuing extra dairy quota would somehow put prices up, I am willing to hear his explanation.

Mr. Yeo: The purpose of including that in the motion was to draw attention to the fact that, disastrously, the Prime Minister and the right hon. Gentleman agreed to Ireland getting an immediate increase in its quota, which will send more imports into this country, depressing the prices in Britain. If Britain's farmers were not shackled by the quota for another four years, they would be able to meet that demand. An increase in quota would not reduce prices; it would replace imports.

Mr. Brown: The hon. Gentleman is on to a good point. He is right to complain about the issue of extra dairy quota, especially to Ireland. The Irish Government's case cannot really be said to have been founded in merit. In fact, it was founded on an agreement made by the Heads of Government in the early 1980s. The beneficiaries of the agreement remembered, and held the rest of us to it. I agree with the hon. Gentlemen that the agreement should not have been made, but let the House remember who made it.

Being stuck with it, I did the only thing that I could in the circumstances, and argued for an equivalent and proportionate allocation of quota for Northern Ireland. My success in achieving that unprecedented concession has been welcomed by the industry in the Province. When did any Conservative Government achieve such a thing?

The United Kingdom Government's great success in the dairy regime element of the CAP negotiations was to make a start on reform, anticipating the changes in world markets that are moving remorselessly towards the European Union's industry. I have said to the House before and I repeat it now, that I would have preferred to have gone further down the reform road and on a shorter timetable.

I believe that the radical proposal for dairy reform made by Italy, Denmark, Sweden and the United Kingdom was the right way forward for the European Union. I confidently expect us to be returning to those issues in the coming years. I attach great importance, as I told the Select Committee, to the review clause that we set for 2003 and to the work that we will put in hand leading up to that watershed.

I welcome the Finnish Agriculture Minister's intention of making the European Union's approach to the agricultural component of the upcoming World Trade Organisation round the main topic for discussion at the informal meeting of European Agriculture Ministers this September.

The reform road is a difficult one for the industry. The alternative, no matter how attractive it may seem in the short term, is to risk being overwhelmed by external market forces. To their credit, the previous Conservative Government recognised that. The Conservative party's motion today represents a significant change in position, but I accept that, during his speech, the hon. Member for South Suffolk pulled back from the worst implications of the motion. The motion implies that the industry should be placed in a straitjacket at the risk of eventually being overwhelmed by market forces.

I notice that the hon. Member for South Suffolk did not spell out what the motion means by "strengthening Milk Marque", but the implication is that it advocates the continuing exercise of unjustified monopolistic practices in the marketplace, in complete defiance of the views of the independent Director General of Fair Trading. I accept that the hon. Gentleman has not yet had an opportunity to study the report in full. I have not had that chance either, but I have the advantage of getting the executive summary from my civil servants and there are matters to which Milk Marque will have to respond.

Mr. Yeo: What I meant by "strengthening Milk Marque" was allowing it to integrate vertically, as other comparable organisations do in other European countries. That would be a strengthening of Milk Marque and that is what the Minister has said that he cannot do.

Mr. Brown: The issue is whether the competition authorities will think it right and fair for the whole of

Milk Marque, whether or not it meets the other criticisms, to become processors or whether some other adjustment will be necessary before producer co-operatives can be processors. That is the issue that we must work through with the industry in the coming weeks. I pledge to take a constructive interest in those matters and to do what I can to get the United Kingdom's dairy industry through. That is a perfectly proper thing for the Minister of Agriculture, Fisheries and Food to want to do.

Mr. Drew: I understand the spirit in which my right hon. Friend will move forward. Does he agree that the way in which Milk Marque and the industry was set up was confrontational and that the only way that we can resolve this is by putting them together around a table and negotiating our way out of this mess?

Mr. Brown: I have repeatedly told those in the food chain that there is no future for any of us in a confrontational approach. I have argued for each section of the food chain—the retailers, the processors, the food producers and even the caterers—to take a constructive interest in each other's well-being and long-term future. Those in the food chain need each other and I have done what I can to encourage co-operation.

The Krebs report is important. The previous Government invited Professor Krebs to undertake that valuable study, and I guess that only a cynic would say that they did that in order to avoid difficult decisions in the run-up to the general election.

Mrs. Angela Browning (Tiverton and Honiton): On a point of information, I was one of the Ministers who felt that the Krebs report was important and we were only too well aware that it had been many years since there had been an independent report carried out by people who would be regarded, not just politically but in the scientific world, as having the information and qualifications necessary to produce such a report. It was nothing to do with the forthcoming general election. The report was commissioned long before the general election.

Mr. Brown: Nobody would charge either of us with cynicism, but the Conservative Government had 18 years in which to embark upon this and chose to do so in the run-up to the election.

The Krebs report is of value and I hope that it has been able to inform debate throughout the House. My predecessor had asked Professor John Bourne, a distinguished director of the Research Council Institute for Animal Health, to advise on how the report's recommendations could be implemented. I received Professor Bourne's recommendations when I became the Minister last July and decided straight away to accept his advice and press ahead with the trials. The Government are determined to see the trials through and, at the same time, to take action against tuberculosis in a number of other areas such as a combined package of research which includes the trial, vaccine development, advice on animal husbandry and cattle testing.

I want to make two points absolutely clear to the House. First, hindering or disrupting the trials is in nobody's interest. I urge everyone with an interest in this to co-operate with the trial group. The results, once evaluated, will be shared with everyone with a legitimate interest and, for the first time, we will have a scientific basis on which to proceed.

Secondly, I regard TB in dairy cattle as an animal welfare issue just as much as TB in badgers. The Government are determined to find rational solutions to the problem and not to allow TB to spread in the national dairy herd.

Let me say directly that those who are disrupting the trials are significantly narrowing the range of options available to the Government. Let me say clearly that this is not even in their own narrow sectional interests. Clearer than that I cannot be.

I am making use of this Opposition day to make an announcement. Dairy farmers have asked me whether the Government would agree to an industrywide levy to fund a generic advertising campaign. I am strongly of the view that the most important factors in this consideration are the views of dairy farmers. I can therefore announce to the House that, subject to working out the necessary details with the different parties in the dairy industry, I intend to launch a poll in early September with a closing date six weeks later.

In the United Kingdom, we have the ideal climate for milk production, the highest standards of animal welfare and product safety and some of the finest dairy products in the world.

Mr. James Paice (South-East Cambridgeshire): It is now several months since the National Farmers Union presented to the Minister a series of proposals to address the problems of TB outbreaks outside the triplet areas while the studies are taking place. When will he respond to those proposals and provide some hope for the dairy farmers outside the study areas?

Mr. Brown: I do not want to set a date. These are important matters. Significant consideration is being given to the suggestions that have put to me by the dairy industry. Clearly, the points that have been made require a response, and they will get one. I can give the hon. Gentleman the assurance that the Government will not back down from their responsibility to deal with the problem of TB in the dairy herd. If one solution will not work, we shall have to look at the remaining options.

I have been very taken with the point made in the Krebs report that the evidence of a link between TB in the dairy herd and TB in the wild badger population is compelling. That is the phrase used in the report, and that would be the starting point. I would prefer the starting point to be the results of the scientific trial, because we could then all share the evidence and use it as a basis of discussion. However, if that is to be denied me, it does not remove my responsibility to tackle the problem. I give the hon. Gentleman that clear assurance.

Mrs. Diana Organ (Forest of Dean): We are all aware of the controversy about the Krebs trial. I wholeheartedly agree that any interference with the trial only hinders the gathering of the knowledge that we need to address that dreadful disease in cattle. However, there is concern among dairy farmers in my area that the trial is slipping: Professor Krebs suggested a five-year trial, and we do not want it to become a seven or 10-year trial. We need the trial to proceed apace. My other point—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. In view of the shortage of time available, the hon. Lady must not be greedy.

Mr. Brown: I can give my hon. Friend the assurance that she seeks. The Government are determined to push on with the trials and to do what is necessary to secure a worthwhile piece of scientific work that will inform the debate once and for all. That is the Government's preferred way forward. However, if that way forward is denied me, and it becomes impossible for us to carry out the trials, I shall still be left to deal with the problem, and I shall have to base solutions on the evidence currently available to us.

Let me draw my remarks to a close. We in this country have a high level of producer expertise and commitment, which is underpinned by strong research and development support from my Ministry.

Mr. McLoughlin: I thought that the Minister was going to make several announcements this afternoon but, so far, if I have heard him correctly, he has made one announcement about conducting in September a poll of dairy farmers that lasts for six weeks. A focus group could have sorted that out for him—is that the only announcement that he is going to make?

Mr. Brown: That is a ridiculous point. Opinions on whether or not the industry should fund a generic advertising campaign for milk should not be taken from a focus group. The people whose opinions matter are dairy farmers, which is why they are to be asked for their opinions in a poll.

Matters arising from the competition report overshadow this debate and, as I said at the start, those will be dealt with by my right hon. Friend the Secretary of State for Trade and Industry when he winds up the debate. I had formed a clear impression that the whole House accepted that report as being not only reasonable and right, but generous on the part of the Government. I do not know whether the hon. Gentleman was here at the start of the debate—

Mr. McLoughlin *indicated assent.*

Mr. Brown: He is twitching on the Back Bench, but I cannot tell whether he was present or not.

Mr. Hoyle: My right hon. Friend is known for listening to farmers and the poll is welcome. However, will he also consider visiting constituencies such as Chorley to meet local farmers and so ensure that their voice is heard?

Mr. Brown: Nice try—I can see how this is going to go. I said that I would do my best to visit farmers, especially in areas where dairying is a strong sector.

Mr. Douglas Hogg (Sleaford and North Hykeham) *rose—*

Mr. Brown: I now stand ready to respond to the invitation from my distinguished predecessor.

Mr. Hogg: Before he sits down, will the right hon. Gentleman deal with the question of cull cows? He will know that food chain was fully insured after August 1996; that being so, is there not a real case now for announcing that the 30-month rule will not apply in respect of cattle born after August 1996? That would be reassuring to dairy farmers.

Mr. Brown: I cannot make the announcement now that the right hon. and learned Gentleman seeks, but I can give him the assurance that advice on the 30-month scheme is being prepared for me. As he knows, the matter is not entirely in my hands, but is one of several conditions set for us by the European Union. However, there is logic in his remarks: the 30-month period has now passed, so it is right to consider the future of the scheme. That matter is now under consideration and I await advice before taking it up with others. The right hon. and learned Gentleman's point is well made, but I cannot make an announcement today.

Let me now bring my remarks to a close. We in this country have a strong retailing structure and a catering industry that is now, rightly, regarded as world class. The real challenge facing the dairy industry is the increasing liberalisation of world markets and progress on common agricultural policy reform. The Government's achievement is to be regarded by our European partners as a constructive ally and to be highly valued by our partners outside the European Union for the role we play in that debate. I invite the House to vote for that approach and to reject the approach outlined in the motion tabled by the official Opposition.

5.35 pm

Mr. Paul Tyler (North Cornwall): As usual, I find the Minister's sympathetic tone very attractive, and I suspect that other hon. Members do as well. However, the content of his speech was bitterly disappointing. I hope that the speech of the Secretary of State for Trade and Industry at the end of the debate will be of greater substance, and that he, too, has been imbibing the milk of human kindness that was the hallmark of the Minister's speech.

Seventy per cent. of UK milk is processed by 10 companies and 90 per cent. of the butter is processed by just six companies—that is where the real cartel and the real monopoly lie. The previous Conservative Government totally failed to address that situation, although they did introduce a piece of legislation. I am sorry that the hon. Member for Workington (Mr. Campbell-Savours) is not present, because, like me, he sat through the Committee on that legislation. Neither many on the Treasury Bench nor any on the Opposition Front Bench saw that legislation all the way through its stages. I make no apology for referring to that legislation—the Agriculture Act 1993—because it forms the background to this debate.

Despite that Act, which was intended to address the problem, we still have a market that is dominated by big buyers, not big sellers. As a result, farmers' share of the retail milk price has fallen 10 per cent. since 1994—during the lifetime of Milk Marque. Farmers now receive less than 10p per pint for their milk, which compares badly with consumer prices of about 25p per pint in the supermarkets and 40p per pint delivered to the doorstep. Dairy farmers have been squeezed continually over the past four or five years, and the Monopolies and Mergers Commission report does little to address that problem. It contains nothing on ways to improve the return to the average dairy farmer.

I acknowledge—and dairy farmers will welcome—the fact that the Secretary of State did not accept the recommendation to dismantle Milk Marque. However, our confusion is increased by that decision, because the logic of that huge report leads to such a recommendation, and removing that recommendation makes the logic of the report's argument extremely weak. The confusion is deepened by the Secretary of State's partial approach to the recommendations, because, having rejected the logic for dismantling, he accepts the so-called interim measures, set out on page 98, which were intended to secure the argument for dismantling Milk Marque. The Secretary of State must state at the end of the debate what structural adjustment he seeks to achieve through those interim measures; if none, they have no validity whatsoever.

The current position demonstrates the total failure of the 1993 Act to bring about a right balance between farmer, retailer and processor. During the period since the Act, the middlemen have creamed off all the profits available in the market for milk, but neither consumers nor producers have benefited proportionately.

Livestock farmers in my part of the country, to which my hon. Friend the Member for St. Ives (Mr. George) referred, are mostly small-scale producers. They are extremely vulnerable and they need effective co-operatives to survive, so I was glad to hear the Minister reiterate his support for co-operatives. However, from reading the report, let alone the Secretary of State's announcement, one would not believe that that was Government policy.

It is essential to have a successful Milk Marque if the milk sector is to survive, let alone prosper. We must be able to benefit from the EU common agricultural policy, just as farmer co-operatives do in every other member state. The report provides no endorsement of that objective.

In the current sale period, if sufficient milk is available, of course, the dairy companies will purchase about 90 per cent. of it. The remaining milk will be sold on the short-term daily or monthly market. Expressed as a proportion of the EU milk target price, United Kingdom product prices are now the lowest in the whole of the EU, and they are deteriorating. That is the background to the MMC report before us today.

The Agriculture Act 1993 was far too protective of the huge dairy companies, with their oligopolistic tendencies. Curiously, and ironically—Labour Members may find this difficult to believe—the Conservative Government were egged on by the Labour Opposition to listen to the Dairy Trade Federation, which represents some of the biggest commercial operators in the country. I am sorry that the hon. Member for Workington has left the Chamber. On Second Reading, in Committee and on Report, he kept arguing the case for restricting the freedom of manoeuvre of a producer co-operative in favour of the huge intermediaries.

In my speech on Second Reading, I said:

"We want a producer-co-operative, but not as a fallback position: we want a potential ground breaker which will establish itself as a strong marketing co-operative to match those in other member states. From our experience of agriculture in other member states, we know how effective producer co-operatives are. They are prepared to use their marketing muscle in the market place and to prevent the sort of domination of buying power which results in this country from a small number of processors and supermarkets. A co-operative with the ability to compete in the world of the giants—the supermarket chains and food processors—would be a benefit to producers and consumers. By cutting back on the bargaining power of the middle men, there is no reason why retail food prices should not fall."—[*Official Report*, 23 March 1993; Vol. 221, c. 828.]

In Committee, the three parties adopted sharply different attitudes to milk producers and their collective potential. I made a similar point in Committee about the importance of making Milk Marque a success not only for its sake but for the sake of the consumer. However, the hon. Member for Workington, speaking for the Labour party, wanted to restrict still more its room for manoeuvre. He said:

"I only put the proposition that Parliament has the right to decide whether Milk Marque should be capped if it wants to go into processing activities. A later amendment might attempt to cap Milk Marque even if it does not want to go into processing activities. . . . We are not convinced that Milk Marque will not be able to abuse its position in the market place."—[*Official Report, Standing Committee F*, 15 April 1993; c. 12-13.]

The Labour party's emphasis was on protecting the big boys—the intermediaries in the chain—not helping the producer co-operatives, namely, the dairy farmers. I hope that now that it is in government it has seen the light.

Mr. Drew: Will the hon. Gentleman give way?

Mr. Tyler: I hope that the hon. Gentleman will take a better attitude than that of his predecessors.

Mr. Drew: To hear co-operation mentioned so many times in so short a period is music to my ears, as a Co-operative Member. However, compared to the large producer co-operatives on the continent, our dairy companies are small beer, if the hon. Gentleman will excuse my mixing metaphors.

Mr. Tyler: I endorse that view. I am grateful to have the hon. Gentleman's support and I hope that we will continue to have that support in the coming weeks and months, when the issue will be of considerable importance. That is precisely why Milk Marque should not be compared with the large co-operatives in some of the other member states, with which we compete, as my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) said.

Mr. Andrew George: Further to the point raised by the hon. Member for Stroud (Mr. Drew), does my hon. Friend agree that, under the terms of the Competition Act 1998, from March next year Milk Marque will not hold a dominant position in the market, as it will have a share of less than 40 per cent. of the liquid market. It should not be affected by the Act as it is not in a dominant and monopolistic position.

Mr. Tyler: That is true. I am grateful to my hon. Friend. Since we are relatively near neighbours, he may be reading my mind. I shall come to that point shortly. I wish to deal first with the Agriculture Act 1993.

I regret that the right hon. Member for Skipton and Ripon (Mr. Curry) is not in his place, although I had a

[Mr. Tyler]

conversation with him yesterday on this matter. He was the Minister when the Agriculture Act went through the House. He said in Committee:

"Our job as Ministers is to ensure that the arrangements which are capable of asserting that Milk Marque will not overstep the mark are able to function effectively. If that happens, the sign up rate, whether it be 17 per cent. or 70 per cent., will be less of a material consideration."—[*Official Report, Standing Committee F*, 15 April 1993; c. 28.]

In other words, it is not whether one has a monopoly but what one does with it that is critical.

I do not believe that the case that has been made by the MMC stands up to scrutiny. I have spent a great deal of time reading it in the past 24 hours. The definition of a monopoly in this context is not relevant and I do not believe that an abuse has been demonstrated.

Let us take a comparable situation. I understand that Express Dairies has recently announced the purchase of Glanbia's liquid milk business, giving Express a potential 30 per cent. share of the market. Will that be referred to the competition authorities? It certainly should be. Will the Minister insist that while the matter is being examined, Express Dairies is not permitted to continue recruiting farmers who produce milk and taking them away from Milk Marque?

Our experience since the Agriculture Act 1993 has been deplorable. Milk Marque now markets less than 40 per cent. of Great Britain milk production. That is much less than at the time of the report. It is likely to be as low as 36 per cent.—a point made earlier by the hon. Member for Mid–Worcestershire (Mr. Luff), the Chairman of the Select Committee—in the forthcoming selling round. The MMC did not adequately examine the traumatic events of the summer 1998 and spring 1999 selling round. It is not in the report. I have been through it and there seem to be some quick references to it, but despite the delays in publication, the MMC has not taken that into account.

As hon. Members will know, in both selling rounds, the buyers effectively held the producers to ransom. They have used their monopoly power twice in the past 12 months. The cartel was in place over those few days. The buyers were able to prevent the proper market from operating. The report is stuck in the early or mid-1990s. It has not taken into account the later 1990s. I see hon. Members on both sides of the House from agricultural constituencies agreeing that that is the case. The Secretary of State for Trade and Industry must acknowledge when he returns to the Chamber that the report is in a time warp.

The experience of those two selling rounds has convinced Milk Marque that there must be some attempt to address the full extent of the market power of the buyers, which is now held by a very small number of major dairy processing companies. Milk Marque has rightly recommended to us that the way forward must be to develop the sale of milk on more one-to-one contracts—a much more direct contractual basis—and on normal commercial terms. That would allow farmers to invest in the necessary processing capacity, and prevent milk from having to be exported, as it was in spring 1999, simply because there was insufficient manufacturing capacity in this country.

Of course it is true that the market in raw milk is naturally limited by time and transport—it is a commodity that cannot be hung about with—but it was folly for the MMC and the Government to ignore the importance of the EU-wide milk processing market in this context. The two are linked. If there is a surplus in the raw milk market, the milk that goes for processing, which is now Europe-wide, if not worldwide—

Mr. Richard Livsey (Brecon and Radnorshire): Will my hon. Friend give way?

Mr. Tyler: I must make progress because I am conscious of the fact that the Labour and Conservative Front-Bench spokesmen took more than an hour and I want to leave time for other hon. Members to get in.

A large factor in the collapse of daily farmers' incomes has been the strength of sterling, to which proper reference has not been made today. However, that is an additional reason—I do not want to divert attention from the critical structural problems of the industry—for the Minister to come to the aid of this sector. The considerable gap that has opened between the retail prices for milk and the prices paid to producers must be addressed now; otherwise, more dairy farmers will go to the wall.

The Minister gave some figures, and it is true that there have not been as many bankruptcies—thank God—as one might have anticipated. One reason is that the amalgamations have proceeded at such a pace that there are, frankly, fewer people in the industry, so there are fewer to go bankrupt. However, I give this warning. If the indecision that is likely to follow this report for many months continues, and if there is no clear signal from both Departments that they take seriously the deterioration in the situation since the report was drawn up, there will be many more farmers whose bank managers will be dragging them into the office to say, "We know that you have hung on by your fingertips. You were waiting for the report, but frankly we see nothing in it which would give us the confidence to maintain your overdraft or borrowing requirement."

These farmers may have been able to hang on through the winter, but they will not be able to do so for much longer. As a result of the report, the likely selling price over the next few months in the selling round that is just about to start will be lower again, because of the lack of confidence in the market.

Frankly, I believe that the Secretary of State for Trade and Industry has fudged the issue of tackling the cartel behaviour of the buyers. I am sure that the Minister, who does his very best to represent the views of farmers, has done his best to influence the Department of Trade and Industry. I have to say that I wish we had been able to get to him earlier to strengthen his resolve and his arm.

In Committee, I made what I fear was an all-too-accurate forecast. I said:

"The restrictions on the possible future of Milk Marque may prove to be its undoing. It will not be as effective, powerful or useful to producers as it might be."—[*Official Report, Standing Committee F*, 11 May 1993; c. 253.]

That is what the report has highlighted, and that is what we are debating.

I was delighted to hear the hon. Member for South Suffolk (Mr. Yeo) say on behalf of the Conservative party that he believes that Milk Marque was shackled. That is a retreat, or a U-turn, from the position of the previous

Government, but it is a recognition of the facts which I genuinely welcome. I hope that all parties will now address that issue.

I wish to make brief reference to the issue of bovine TB. As the Minister knows, my constituency is at the epicentre of one of the worst outbreaks of bovine TB, and has been for many years. It is an appallingly difficult problem with which to grapple. Having examined the issue from all sides for a long time, I believe that we are, as a result of the Krebs report, at last grasping the nettle—but what a tragedy that we have had to wait 25 years for that to happen. Successive Ministers, for political or other reasons, have left it late in the day.

We now know that the impact and the cost of TB on the industry continues to grow. Dairy herds are accounting for approximately 50 per cent. of the breakdowns. The National Farmers Union has estimated that, by 2006, the number of TB breakdowns will grow to nearly 4,000 a year. The annual cost of TB to the farms is expected to rise to almost £140 million. This is like the BSE crisis coming back and back again, without any sign of an end. I welcome what the Minister has said, and I hope that it will not be too long before we have a firm statement in relation to the representations made by the NFU on the issue, which cannot be left.

The right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) said that some fallout from BSE remains to be dealt with, notably in relation to cull cows and the end of the calf scheme. I hope that it will not be too long before we get an answer to those questions. August is not far away and, as the Minister rightly responded to the right hon. and learned Gentleman, that is when we ought to be clear that the 30-month scheme has outlived its usefulness.

That ought to be the case—unless the Minister suggests again that maternal transmission is potentially a real problem. If it is, let him be clear about it, and let him tell farmers. That will fill them with horror.

In the meantime, the Phillips inquiry is an extremely important analysis of what went wrong. The skeletons falling from the Whitehall cupboards are fascinating, and will provide the raw material for some interesting academic studies. However, I hope also that this House can take advantage of the inquiry not only to identify what went wrong, but to ensure that the lessons are learned.

I have referred previously to the problems that those in the dairy industry—and particularly the specialist cheese makers—are having as a result of the use by the Department of Health of the sledgehammer of emergency provisions to deal with hygiene problems with cheese. I invite the Minister, if he has not done so already, to look at the judgment in the case of the Department of Health *v.* Aldridge. Clearly, there was a complete over-reaction by the Department of Health, which has important repercussions for specialist food producers—especially those processing milk products.

Mr. Bercow: The hon. Gentleman rightly alludes to a particularly harrowing situation. Is he aware that Mr. Aldridge has yet to receive any apology for the scandalous way in which he was treated at the hands of the Minister for Public Health?

Mr. Tyler: It would be inappropriate for me to go into great detail, but the hon. Gentleman may know that I have twice debated this issue in the House, and we still have not had in the House an apology for the way in which Mr. Aldridge was treated. I understand that the Government are paying the legal costs of the case. That is something, but it does not compensate for the appalling loss of business suffered by Mr. Aldridge—nor for the slur on the reputation of Duckett's cheese in Somerset.

The pledges sought by the Conservatives this evening were valuable and welcome, but of far more value was the way in which the hon. Member for South Suffolk recognised the failure of the 1993 legislation on the marketing of milk. I hope that we can have all-party agreement across the House this evening that it is time to re-examine the legislation. I hope that we can have a pledge from both Front-Bench teams that they will commit themselves to a review and to reform.

Effectively, the MMC report is a confession of failure. We would not be doing our duty by the dairy farmers, the industry generally or the rural communities that depend on the industry if we did not recognise that fact and address it urgently.

Mr. Deputy Speaker: It will be painfully obvious to the House that there is a very short time left for Back-Bench speeches in what has necessarily been a truncated debate. May I make a special plea for brevity? If hon. Members could confine themselves to about five minutes apiece, it will be possible to get a reasonable spread of participants in the debate.

5.58 pm

Mr. Mark Todd (South Derbyshire): I will do my best to be brief, Mr. Deputy Speaker. There are many dairy farmers in my constituency who are all too painfully familiar with the falling price of raw milk and the falling returns on their hard work.

Our task today, which has not been helped by the motion, is to try to help the industry to reform. I shall refer briefly to some fundamental facts and then to some of the methods we could use to address them.

First, much of the UK offers the best circumstances for milk production in the European Union. We currently produce more raw milk than we use. As in most industries, economy of scale helps—the bigger the herd, the more productive each beast is. That process has increased productivity by 22 per cent. in the past 15 years. However, this, and the decline in the volume of drinking milk consumed, has accentuated price pressures and strengthened the need for product development.

Secondly, although milk quota reform has been deferred, it remains a certainty in the medium term. Any reform should loosen the EU market and benefit the competitive suppliers that we have.

Thirdly, milk and milk products are increasingly international commodities. Currently, UK and EU prices are uncompetitive. The next World Trade Organisation round will almost certainly free the market somewhat. Although the costs of transport and the perishability of the raw product will prevent that from having much impact on drinking milk, it will have a major impact on the industry that uses milk for processing, as processors will increasingly source from global suppliers.

Fourthly, our milk processing sector is already fragmented and inefficient. Reference has been made to the monopoly nature of that sector, but the case is

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not proven. Of the 10 biggest European processors, none is British. The Office of Fair Trading showed in its earlier study that a dairy processor in the UK cost 4.5p per litre to perform a task carried out in Holland for 2.6p per litre. In Denmark and Holland, vertically integrated farmers co-ops dominate the market.

We are abysmal at product development in this country. Investment has gone into processing, but it has been focused largely on the replacement of antiquated and, sadly—because of the demise of doorstep deliveries—increasingly unwanted bottle plants, not on the development of added value product.

Cheese consumption in the UK is growing. Although we consume a little less than half as much as the French, we produce only one fifth of the amount that the French industry generates. Nevertheless, the profitability of our processing sector is increasing, in marked contrast to that of farmers. This is where the point about monopoly tendencies can be argued.

Finally, the other activities of the dairy farmer have been blighted by BSE. We have discussed that, so I shall not dwell on the matter.

As part of the solution, we need first to encourage the various parts of the milk food chain to discuss together the threats and opportunities that they face. For far too long, the debate has ranged narrowly around the activities of Milk Marque and its machinations. Holstein UK, the representative body of many dairy owners in this country, suggests that

"there is a need to actually progress, rather than paying mere lip service to adding value to UK milk production, by product modification, diversification and especially new product development."

Some supermarkets have already started to identify opportunities. Let us ensure that they are met by British milk products. Organic milk remains difficult to source. There are opportunities for longer-life milk products, short of UHT. We have, as I mentioned, a substantial problem in supplying our local cheese market, in which there is a trade deficit, and the same is true of yoghurts.

Secondly, we must help the chain to explore ways in which its processes can be made more efficient and abbreviated. The Minister touched briefly on the role of collective marketing. The role of the Milk Development Council should be reviewed and its brief widened to marketing, if that is what the industry wants it to do.

Thirdly, we must recognise that farmers have to be allowed up the value chain if they are to thrive. By locking Milk Marque out of processing, we may hinder that, and farmers will remain weak sellers in a concentrated market. Falling producer membership, now covering below 40 per cent. of production, as several hon. Members have noted, may anyway break the monopoly relationship to processing, but Milk Marque must recognise its customers' concerns. That is one of the telling criticisms. Traceability of product and consistency of supply are critical in the new marketplace.

Fourthly, we should review the other costs in the chain. The funding of quota purchase and leasing adds about 2.5p per litre to costs. Should we freely allow non-farming quota holders to make a return on an essentially public property? The dairy hygiene inspection charges, like our other agricultural charges, must be compared to those of our EU competitors. We will also need to observe and support the industry's transition from the loss of the calf-processing scheme, and resolve the future of the 30-month scheme. In the medium term, reform and, in my view, eventual abolition of milk quota is essential.

Finally, we must rapidly resolve the remaining uncertainties from the Monopolies and Mergers Commission inquiry. That involves further reform of the sale procedures and precise definition of when Milk Marque will cease to be a monopoly supplier, preventing its moving into processing. We should also prepare advice on voluntary steps by Milk Marque that might allow vertical integration to proceed.

Let us look to the future of the sector, which should be a star performer in UK agriculture. Much of the work that I have outlined lies in the industry's hands, but the Government have some crucial tasks. I look forward to the Minister's response.

6.5 pm

Mr. Patrick McLoughlin (West Derbyshire): It is no exaggeration to say that the countryside is in crisis. I agreed with much that the hon. Member for South Derbyshire (Mr. Todd) said. I shall not deal now with the points on which I disagreed with him as time is short and others want to take part in the debate.

The Minister of Agriculture, Fisheries and Food has established a reputation for going around the country, talking and listening to farmers. At the beginning of his speech today, he gave the impression that he would make some important announcement on the future of the dairy industry. Having listened to his whole speech, I was disappointed. The only thing that he promised dairy farmers was a ballot, starting in September and lasting six weeks, on whether there should be a levy for the promotion of milk. No wonder the right hon. Gentleman cannot get the Government business managers—a position that he formerly held—to allow him to make a statement of that magnitude in the House. Perhaps that is surprising, given the way that the Government treat the House of Commons.

If the Minister believes that such a levy will help the long-term future of the dairy industry, he is living in cloud cuckoo land, along with the rest of the Government. The countryside is facing a devastating crisis.

We have heard much about the Monopolies and Mergers Commission report. Yesterday the Secretary of State for Trade and Industry rejected its main conclusions but accepted other parts. As the hon. Member for North Cornwall (Mr. Tyler) said, that is not logical. In the 24 hours since the report was published, I have not managed to study it in detail but I have listened to those who have.

By announcing that he rejects the main conclusions but accepts others, the Secretary of State continues to sow doubt in the dairy industry. The problem is what will happen to dairy prices before he tells us the director general's final recommendation. The time scale on which he has so far dealt with the matter gives great cause for concern.

Let me deal more generally with the crisis in the countryside. I have the privilege to represent a good piece of the Peak district national park and some of the outstandingly beautiful areas of Derbyshire. We have such

beautiful countryside because of the way our farmers have looked after and farmed it. I have great fears for the future of the countryside if farmers do not believe that they can earn a living from their farms.

There is a notion that farmers are wealthy people. Some of them are very wealthy, but many are not. Many tenant farmers are finding it extremely difficult to sustain a living off the land. If they were subject to the national minimum wage, the Government would probably close down the farms because they would not meet the criteria.

After a 40-minute speech, the Minister proposed a ballot on a levy to take more money off the farmers. The farmers will be reluctant to see any more money come off their milk price, not because they do not want their industry to be a success but because they fear for their own survival in the long term. What they feel is not annoyance with the Government, but frustration because they can see no way out.

I respect the Minister, but I have to say that I found his speech highly complacent in respect of the position in which a lot of my constituents who are in the dairy industry find themselves—they are struggling to survive. In the Bakewell area, more than 10 have gone out of production in the past few months. Farmers cannot afford to continue producing milk at the prices that they are currently receiving.

Mr. Nick Brown: May I ask the hon. Gentleman candidly what remedy he is urging on me?

Mr. McLoughlin: Some of those that have been mentioned. From the Front Bench, my hon. Friend the Member for South Suffolk (Mr. Yeo) raised five points on which the Minister ought to act—the calf processing scheme is one of them—and my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) referred to the 30-month scheme, which he could address shortly. Representations on a number of points have been made to him in the debate and I hope that, because of the number of Members who want to speak, he will not mind if I do not repeat them all.

The fact that the Minister is seized of the growing concern about tuberculosis, which has spread across the north Staffordshire border well into Derbyshire, has come across in the debate. The disease is causing tremendous concern among farmers. I have seen the National Farmers Union letter forecasting the expected growth in TB, but what I have learned about its spread and growth in my constituency suggests that the NFU has probably underestimated the problem we will face. Tuberculosis is a growing problem in north Derbyshire and in various areas below Ashbourne, and it is creeping down to the constituency of the hon. Member for South Derbyshire, which is not too far away. Although I realise that it will take time to get the results of tests, we need them urgently and the Minister ought to consider establishing more trial areas so that conclusive recommendations can be made more speedily.

I want to say a lot more, but we are short of time and many Members want to speak. I say to the Minister and the Secretary of State for Trade and Industry that we have not raised these matters only because we want to discuss agriculture continually in the Chamber. We think that the Government are getting it wrong in many ways, and the future of the countryside that we love and enjoy is at stake. It is all very well to talk about the protection of sites of special scientific interest, trying to green-up the environment and giving people the right to roam. The way the Government are going, people will have the right to roam because the fields will not be farmed and the countryside will not be in the pleasant state that we expect it to be in. I urge the Government to take action quickly.

6.13 pm

Mr. David Lock (Wyre Forest): I am grateful for the opportunity to take part in the debate. I freely admit that I am not an agriculture expert and I have spent much of my time in the House dealing with legal reform and working with the legal profession. However, that has given me some insight and I can spot special pleading; when claims are made about the public interest, they are often based on sectional interest.

I have two substantial interests in agriculture. First, there are many farms and agriculture workers in my constituency. Wyre Forest does not contain only trees and towns; it is a beautiful rural area of Worcestershire. When I met the National Farmers Union and dairy farmers last week, they urged me to press Ministers to disclose the Monopolies and Mergers Commission report because that would be the best way to achieve confidence in the agriculture industry. I met my right hon. Friend the Secretary of State on Monday and the report was published on Tuesday, although I cannot go back to my NFU members and claim that I had any responsibility for its publication.

My second interest is that I represent about 90,000 people in all, including children. I have been worried about that throughout the debate because the vast majority of my constituents consume milk products. It is tempting to say that consumers have been totally ignored in the debate. Milk is a product; it is put on the market to be sold to consumers. I am concerned that our discussions have centred on the interests of the producers. Consumers have rights as well, the most important of which is the right to a proper, well-regulated and safe supply of milk.

Last year, I had the privilege of visiting the United States. I went to a "Save Family Farms" rally in rural Minnesota. Farmer after farmer complained that his livelihood was being ruined by the collapse of world prices. Two clear points emerged. First, a group in the United States was demanding free trade, flexibility and liberalised markets from every other country in the world, but it complained when those same principles came back to them and were inconvenient. Secondly, complaint after complaint was made against companies that were buying up land and farming at what were freely admitted to be prices with which family farms could not compete. There was opposition to structural change that was taking place in the market and causing enormous damage to family-run farms, but changes in the industry were reducing prices and putting enormous pressure on farmers. Having talked to my farmers in great depth, I wonder whether we are seeing the same sort of structural reform here. That is one reason why there is a price crisis at the moment.

The farmers in my constituency have repeatedly told me that prices are poor. They are—that has been well documented by other hon. Members so I shall not go through the figures—but my farmers also told me that the milk market is being rigged by the dairy companies and the supermarkets. The situation is not straightforward

[Mr. David Lock]

because most of the world trade is in butter and derivative milk products rather than in milk, but paragraph 2.17 of the MMC report confirms that European Union support prices are above world prices and that a cut of 30 per cent. will be needed to bring prices here down to world levels.

Prices in Britain are substantially higher than world prices. Our consumers are paying more, although I have not heard a voice being raised on their behalf. In the years ahead, change will come through the World Trade Organisation and reform of the common agricultural policy. World prices will inevitably come down.

Mr. Gray: Irrespective of what might have happened to consumer prices recently—for all I know, people in this country may be paying the highest consumer price at the supermarket—does not the hon. Gentleman accept that farmers are demonstrably earning less than they have ever earned? Although the supermarkets and the intermediaries may be to blame for the high price to the consumer, farmers are definitely not to blame.

Mr. Lock: I entirely accept that that is right. I urge the Government to listen to the views of my hon. Friend the Member for South Derbyshire (Mr. Todd), who suggested that the way forward is to allow farmers and farmers' co-operatives to add value to their products so that they can retain more of the value that is in the raw milk. They would thus be able to get a true share of the value of what they produce.

Having looked at the MMC report in as much detail as one can overnight, it is interesting that the basic allegation of collusion between the main dairy producers and the supermarkets to keep prices down in the various bidding rounds has simply not been accepted by those who have gone into that matter in enormous detail. I find it astonishing that the report has been rubbished by a number of speakers this afternoon, given that it is doubtful whether anyone has had a chance to look at its detailed substance.

Mr. Tyler: Does the hon. Gentleman accept that work on the report ceased before the latest selling rounds, in which there was clear evidence of the cartel operations of the buyers? I see Labour Members nodding.

Mr. Lock: I obviously accept that that is correct. None the less, the report examined allegations of cartels which were made at that time and then found wanting. Those allegations may be repeated and they may be justified this time.

I want to discuss my farmers' bitter complaints about the cost of quota. Quota has been sold and leased. This is the price that farmers in my constituency are having to pay as part of the overheads involved in the production of milk. It has no benefit for the farmer, or for the consumer; it is purely a price imposed by the system chosen by the last Government in order to introduce quota.

May I make an urgent plea? I feel that, when my right hon. Friend the Secretary of State for Trade and Industry considers his response to the report and when my right hon. Friend the Minister of Agriculture considers reform of the quota system, their first priority must be to ensure that the cost goes out of the system. What the farmer receives at the farm gate must surely be the price that he receives to meet his legitimate costs. A process that involves buying or renting quota from a retired farmer, or a middle man who may never have had anything to do with farming in the first place, is simply rigging the market and adding a cost to agriculture that benefits no one except the tiny proportion of people who have quota.

I urge my right hon. Friend the Minister to do all that he can to get rid of that cost, and to ensure that the licence to produce is there only for those who are actually producing.

6.21 pm

Mrs. Ann Winterton (Congleton): I shall try to be brief, because I know that many hon. Members wish to speak.

I believe that Cheshire farmers have been cheated this afternoon, and that the Government have pulled a fast one by announcing what almost amounts to Government business in Opposition time. In normal circumstances, we would have expected a full statement on the Government's response to the MMC report, and an opportunity to question Ministers; but the subject has been pushed into today's debate. The Government may wish to consider devoting a day's debate to this important issue in their own time. Most hon. Members have not had time to read fully and to absorb the MMC's complicated report, and they would like an opportunity to debate the issues contained in it.

Hon. Members on both sides of the House agree that the dairy industry is experiencing a crisis. Its income is lower than it has been for 60 years, and farming incomes are in free fall. Farmgate milk prices have fallen by nearly a quarter over the last two years—by more than 3p a pint. The situation is disastrous: consumers are not benefiting, but dairy processing companies—the fat cats of the industry—are profiting. The gap between the retail price, which is 25p in stores and approximately 40p for milk delivered to the doorstep, and the price paid to producers—about 10p a pint—has widened dramatically.

Dairy farmers have been disadvantaged by a particularly aggressive market. Some success has been achieved by dairy farmer co-operatives such as Milk Marque, but they face increased concentration of milk processors and retailers. Fewer than 12 major processing companies now exist in the United Kingdom, and there are only four major multiple retailers.

I believe that farmers themselves need to develop processing capacity, and to be able to make the investment that is necessary for the provision of not only world-class processing facilities, but innovation for the future. That investment is also necessary to give producers and farmers a place at the negotiating table. At present, they are excluded from the chain that takes milk from the farm to the shop. That is particularly important in the light of the decision to allocate more milk quotas from 2005 onwards, and the longer-term possibility—I put it no higher than that—of an end to the quota system. We were disappointed recently that the United Kingdom received no increase in quota. Four other countries succeeded—including Eire, which is one of our major competitors.

I am pleased that, at long last, the Secretary of State for Trade and Industry has published his response to the MMC report, and I am especially pleased that he has rejected the recommendation for Milk Marque to be

broken up. Milk Marque does not hold a dominant market position: its share of the raw milk market is only 38 per cent. in the United Kingdom, and only 4 per cent. in European Union terms. What justification is there—what justification could there possibly be—for preventing further moves into processing?

I understand that Milk Marque has been described as a complex monopoly, and that the rules that exist today were established in 1973. The MMC acknowledges that Milk Marque's current processing activities have not been used to enhance its scale monopoly. On what basis do the MMC and the Government conclude that any further advance into processing by Milk Marque would produce a different result? Perhaps the Secretary of State will tell us when he winds up the debate.

Like many others, no doubt, I want a fair deal for farmers, but let us face it: the industry has been left in limbo for many months while the MMC inquiry has been in progress. Nothing erodes confidence in the future more than uncertainty—not knowing what that future holds. Once a decision has been made for better or worse, at least people can plan. At present, however, the industry is in limbo, because the Secretary of State for Trade and Industry has kicked the ball back into touch.

Producers are willing to co-operate with processors and retailers alike, and to work together on a commercial basis to bring about the best conclusion for the United Kingdom as a whole. I hope that the Minister, the Secretary of State and others in Government will work towards that end.

I want to refer briefly to two issues that are particularly important to the farming community in Cheshire. The first is the calf processing aid scheme, which has already been mentioned today and whose continuation I consider to be essential. The lifting of the beef export ban was announced in November last year. Since then, not one carcase has been exported to the continent, and the calf processing aid scheme will apparently cease at the end of this month. I think it vital for the scheme to continue until normal export markets have been resumed, and I hope that the Secretary of State or the Minister will give assurances in that regard.

The alternative to rearing calves that would have entered the processing aid scheme would be slaughtering them on farms—not something that any of us would contemplate with an easy mind. That in its turn would lead to a dramatic increase in on-farm burials and, potentially, to animal welfare problems.

There is another compelling reason why the calf processing aid scheme should be retained for the present. Its retention would enable farms that are subject to tuberculosis outbreaks, and therefore to herd restrictions, to prevent overstocking by removing surplus calves, thus avoiding associated animal welfare problems. That factor becomes more telling as the problem with badger tuberculosis becomes increasingly acute.

Those of us who represent dairy industries know of dairy farmers' anxiety about the spread of TB. My hon. Friend the Member for West Derbyshire (Mr. McLoughlin) said that TB was spreading into the Peak district and into his constituency; my area has also experienced outbreaks in Staffordshire and in Cheshire. The problem is growing at an alarming rate. I hope that the Government will continue to support research into the development of a cattle vaccine, and to investigate all aspects of the origin and transmission of bovine tuberculosis. I endorse all that Opposition Front Benchers have said about that today.

All hon. Members are concerned about what is happening in rural areas. In Cheshire, we have the United Kingdom's foremost dairying county—although I accept that other areas in the United Kingdom might think that they hold that position. In my own area in Cheshire, we farm very productively and very close to large population centres, such as Stoke-on-Trent, the Potteries, the Manchester area, Liverpool and the midlands.

One of the problems facing Milk Marque is the cost of transportation, and the fact that it collects milk from every part of the United Kingdom, including south Wales and the west country. It is very easy for more local dairies to pick off local farmers, as their cost of transporting milk from Cheshire farmers to a dairy in Manchester, for example, is minimal compared with Milk Marque's costs. However, those dairies do not cover the entire United Kingdom.

I hope that more investment will be made in processing, which is a vital element for the future of our dairy sector. In the past, there has been very little such investment and, currently, the private dairy companies are making very little of it. I trust that that situation will be put right.

For all hon. Members who support rural areas, and the part that those areas play in our country—no one could have summed that up better than my hon. Friend the Member for West Derbyshire—I should simply like to say that we are concerned; we wish to see action; and we trust that the Government will, as a priority, act to address our concerns.

6.31 pm

Mr. Alan Hurst (Braintree): I am pleased to be called to speak—albeit it latterly and speedily—in this very important debate. This morning, I was speaking to a dairy farmer in my constituency, Nick Loftus, who told me of his grandfather, who had farmed a dairy farm in the Fylde, near Blackpool, in the 1920s—when, he said, similar problems existed in the dairy industry. Local dairy farmers had been threatened with a reduction in the milk price from 1½d to 1¼d per gallon. Those local farmers took it into their hands to fight the local dairy by feeding the milk to pigs or pouring it into the drains.

At that time, that method worked, and the dairy backed down. I suspect, however, that such methods would not work now, as the cartel of dairy processing companies would have milk from other locations on site within hours. Over the years, the position of producers has been weakened considerably.

I should say that one is often confused when giving examples from the dairy industry, as some people talk in litres, whereas others talk in pints. Nevertheless, Nick Loftus farms about 1,000 acres, employing five men. Those who are familiar with arable farming will realise that five men are about five times as many as one would have on a comparable-sized arable farm. His farm is in Essex, near Finchingfield, which is alleged to be the most beautiful village in Essex, if not in East Anglia. Nevertheless, although the aspect may be pleasing, the economic returns are very poor indeed.

Nick Loftus's view is quite simply that, if producers are to be strong in the market, they have to combine and to have a processing arm. Throughout history, producers have been in a weak position, but processors and retailers have been in a strong one.

[Mr. Alan Hurst]

Recently, we received the Monopolies and Mergers Commission's report on Milk Marque. If Milk Marque is a monopoly, it is a very poor one—as its market share has now been reduced to less than 40 per cent. I should much prefer the whole matter to be referred to a body, if there were one, called the cartel commission, so that those who are really milking the system—the producing dairy companies, and perhaps even our friends the supermarkets—might be dealt with. The retail price remains constant, but the producer price falls, and that pattern is occurring not only in the dairy sector.

Whatever faults Milk Marque might have in some aspects of its operation, it is not the key to the problem. It is very surprising to hear suggestions that it would be quite wrong for producers to have a processing arm. As we have heard in the debate, Denmark's milk co-operative has more than 90 per cent. of the Danish market, and it not only produces, but processes.

Moreover, the Danish co-operative—which is now the owner, or part owner of M and D Foods—is processing not only in Denmark, but in my own constituency. Therefore, it is vertically integrating not only in Denmark, but in the United Kingdom. Our own producers are being discouraged from vertically integrating, from adding value and—to put it into English—from going into a profitable part of the sector, so that they might be able to spread their costs and risk.

I am reassured that my right hon. Friend the Minister of Agriculture will be examining the matter further, and talking to the interested parties. However, I am sure that I am not alone when I say that we hope that producers will get a fair deal in the sector, and that profits will not simply be skimmed off and taken from producers—not to the benefit of consumers, but to the advantage of those who go between producers and consumers.

6.36 pm

Mr. Dafydd Wigley (Caernarfon): I should first declare an interest, as I am the president of a creamery in my constituency. However, I am an unpaid president, with no pecuniary interest in the business.

I follow the hon. Member for Braintree (Mr. Hurst) in saying that, currently, we should be concerned primarily about producers, who are going through a very difficult time. If there are no producers, there will be no consumers. I do not have to remind the House how important the dairy sector is to Wales, as it constitutes 30 per cent. of Wales's agricultural gross domestic product. In the past 20 years, the number of dairy holdings has been more than halved, from 9,000 to 4,000. Two years ago, there were 4,576 such holdings; now, there are 4,078.

Unquestionably, there is a crisis in the dairy sector. Last year, the sector's net farm income fell by 25 per cent. In the past two years—combining the dairy and livestock sectors—average annual net farm income has dropped from £18,527 to £11,524 in 1997–98, and, now, to a mere £6,854. Needless to say, some farmers must be below that average.

The average weekly net farm income is only £130. We cannot build an industry—or expect young people to go into an industry—with those figures. Something has to be done. The net margin per cow is a telling figure—from £333 in 1995–96, to £93 in 1998–99.

At the South Caernarfonshire Creamery, we are concerned that, recently, the market value of our cheddar has decreased by £500—or 20 per cent.—per tonne. The decrease is a consequence partly of imports, and partly of our inability to export because of the value of the pound, which has already been mentioned by other hon. Members. Ironically, in dealing with United Kingdom agriculture's difficulty in competing with Europe's agriculture, only the United Kingdom dairy sector is receiving no European Union agrimonetary compensation.

Plaid Cymru Members welcome the fact that, yesterday, at long last, the Monopolies and Mergers Commission report was issued. I am not sure what delayed the report, but at least we have it now. Our reaction to the report must be mixed. We welcome the fact that Ministers will not split up Milk Marque, as now is not the time to add additional uncertainty. Although there may be arguments for considering the matter in the future, we should not consider them now.

We regret very much that the report seems to favour denying Milk Marque the right to develop new processing plant, as such plant is greatly needed. A two-year scheme is about to proceed in Felinfach, investing millions of pounds and creating 70 new jobs, but it seems likely that that scheme will be undermined by the Government's decision. We should very much regret that.

A number of issues have to be addressed urgently. We all understand the problems caused by the high value of the pound—it is hitting not only the dairy sector, but others—but something has to be done about it. We also have to extend processing capacity. We therefore believe that that matter will have to be rethought by both the Secretary of State for Trade and Industry and the Minister of Agriculture, Fisheries and Food.

The calf processing scheme, which is due to end on 31 July, must clearly continue because of the difficulties that face the industry. The Government must fund the British cattle movement service beyond 30 September. We also need an urgent review of the anti-competitive impact of the supermarket chains, which is causing farmers great difficulties, but from which consumers do not appear to benefit. Now that the report has been published, I hope that action will follow.

6.40 pm

Mrs. Angela Browning (Tiverton and Honiton): I have two unremunerated interests to declare. I am a vice-president of Devon young farmers—*[Interruption.]* The Secretary of State for Trade and Industry may laugh, but there is youth in me yet. Secondly, six months ago Milk Marque put into the public domain an application for a processing plant in Cullompton, giving me a keen constituency interest in the report.

Given the report's importance and the number of questions tabled by both sides of the House, a statement from the Secretary of State would have enabled him to answer questions, and that would have been better than tagging himself on to the end of a Conservative debate on the dairy trade. I shall listen carefully to what he has to say.

We have sought to persuade the Minister of Agriculture, Fisheries and Food of the urgent situation facing the dairy trade. The Minister has a reputation for listening, and I felt that he was trying to respond to the crisis when he spoke. My right hon. Friend the Member

for Bridgwater (Mr. King) and my hon. Friend the Member for West Derbyshire (Mr. McLoughlin) testified to the devastating experiences of their constituents, and I could add to what they said. My first Trade and Industry question from the Dispatch Box flagged up the urgency of the problems facing dairy farmers, many of whom see this month's selling round as the time at which to decide whether to stay in business or call it a day.

Mr. Geoffrey Clifton-Brown (Cotswold): Does my hon. Friend accept that dairy farmers hanging on by their fingernails and preparing to decide during the next week or two whether to remain in business will be dismayed by the Monopolies and Mergers Commission report, which creates another six months of uncertainty over the structure of Milk Marque?

Mrs. Browning: Indeed; my hon. Friend is right. The Government's response to the report is inconsistent, and further delay faces farmers. The Secretary of State for Trade and Industry should take the opportunity provided by the debate to unlock the grip on the industry and to set some fears to rest. I hope that his response will be long on action and short on rhetoric.

Raw milk processing is a large industry, but we have been slow to change in favour of the culture of farmer co-operatives adopted in many European countries. Labour Members may think it strange that mere Conservatives should praise co-operative movements, but my advocacy is not new. My background is in marketing, and in considering how value can be added to products brought to market, I have admired examples from across the channel of farmers coming together to invest in packaging, marketing and transport in order to take a larger share of the single market. Lessons can be learned from those examples, and my hon. Friend the Member for Congleton (Mrs. Winterton) was right to say that farmers in the dairy trade are increasingly prepared to work that way.

The Minister of Agriculture said that vertical integration should be encouraged at the core of industry. I agree. Milk Marque makes a good case for wanting to process. A presentation in support of Milk Marque notes that there is no UK dairy processor in Europe's top 10, despite the UK position as the third largest milk-producing country in the EU behind France and Germany. Of the top 10 EU processors, six are farmer-controlled co-operatives. It is a tried and tested path.

The UK produces 14 billion litres of milk a year, but no UK company processes even 2 billion litres. By contrast, in Holland, a country that produces only 11 billion litres of milk a year, two companies—Friesland Coberco and Campina Melkunie—dominate the scene. Both are co-operatives, vertically integrated from farm to factory. In Denmark, the same pattern applies, with 90 per cent. of milk produced on Danish farms and processed and marketed in that way. Our sector is asking to operate on the same level playing field, and it is unbelievable that we must wait to find out whether the Secretary of State for Trade and Industry will let British farmers and companies take their product to market. If the single market is to mean anything, our farmers must have the same opportunities as others.

The Minister of Agriculture questioned our motion's desire to strengthen Milk Marque. There is nothing ambiguous in that. My hon. Friend the Member for South Suffolk (Mr. Yeo) has pointed out, and I shall reiterate, that Milk Marque wants to process so that it can take products to market with value added. The Government's amendment says that

"the industry itself must help shape its own future".

What more can it do? It has not come to the Government with a begging bowl, but is asking to be allowed to compete and to develop its product in the same way as its competitors.

The Prime Minister was questioned on that point by my right hon. Friend the Member for Fylde (Mr. Jack) this afternoon. It was extraordinary to hear him say that the contents of the report meant that allowing Milk Marque to expand and to process its own product would involve Government subsidy. The Minister will want to put his Prime Minister right, as the latter seems not to be up to speed. There is no question of Milk Marque's asking for public money.

Mr. Nick Brown: I am trying to follow the hon. Lady's argument. Is she urging the Government to reject the MMC report?

Mrs. Browning: In considering breaking up Milk Marque, the Secretary of State for Trade and Industry must consider carefully whether or not to accept the report. It is in his gift to decide. I ask him to consider Milk Marque's request on processing, which would allow it to take its place in the market.

When it comes to import substitution, value-added products will appear on supermarket shelves, which are a huge growth area for the dairy sector. If those products are not British, they will be imported products. Some may even have been produced from UK milk. Earlier this year, the Dutch bought liquid milk from the UK—there are no borders because we are in a single market—but the UK consumer and producer will find those products back on our supermarket shelves.

When new Labour came to power two years ago, Labour Members' bleepers continually told them to repeat two words at us in every speech from the Front or Back Benches—fairness and justice. Milk Marque and British dairy farmers are asking for no more than fairness and justice. They want fairness in the marketplace so that they can compete on a level playing field, and justice so that United Kingdom producers have the opportunity—it is down to them at the end of the day—to put their products on the supermarket shelf so that we do not have to buy from foreign competition.

I hope that the Secretary of State will use the opportunity to release the industry from its shackles, as it is in his gift to make sure that the industry can compete and is viable so that British dairy farmers can look to the future instead of considering whether to call it a day.

6.50 pm

The Secretary of State for Trade and Industry (Mr. Stephen Byers): I begin by congratulating the hon. Member for Tiverton and Honiton (Mrs. Browning) on her promotion to shadow Secretary of State for Trade and Industry. I am sure that the whole House is pleased that her personal circumstances allow her to accept a well-deserved promotion and take her rightful place on the Opposition Front Bench.

[Mr. Stephen Byers]

The MMC report is a substantial document. I welcome the opportunity of accounting to the House for my decision on the report on the supply of raw milk in Great Britain and of answering some of the questions that have been raised during this afternoon's debate.

Let me start by explaining to the hon. Lady why I did not make a statement to the House yesterday. She will be aware that when an MMC report contains commercially sensitive information, it is not the subject of a statement to the House, since the City would have notice of such a statement's being made and that might not be appropriate. That practice has been adopted by successive Governments.

The MMC report was clear. It found that Milk Marque was operating in a way that was against the public interest. In my view, that related to the conduct of its sales procedure. The MMC identified two possible remedies to address the abuse by Milk Marque of its monopoly position. It recommended an enforced break-up of Milk Marque. I rejected that recommendation. However, I accepted the view that we should address what I consider to be the key issue—the selling process that Milk Marque has operated.

It was not an easy decision, as it not usual to disagree with a clear recommendation from the MMC. It is one reason why the report took longer to publish than I would have liked; I understand the concerns expressed by many right hon. and hon. Members this afternoon and by the farming community, particularly the dairy farmers, about the delay in its publication. I wanted to publish the report as soon as possible and I have done that. I would have liked it to be sooner, but I wanted to make sure when it was published and I had put on record my decision that all avenues had been properly investigated.

When I gave evidence to the Select Committee on Trade and Industry some two and a half months ago, I said that I would ensure that the report was published by the summer recess. I am pleased to say that I have managed to do that with some two weeks to spare.

I was not prepared to accept the MMC recommendation to enforce the break-up of Milk Marque because I believed that it would lead to a period of uncertainty. That would be the last thing the dairy industry wanted after the uncertainty of recent weeks.

Mr. Hilton Dawson (Lancaster and Wyre): I am grateful to my right hon. Friend. Although I applaud his decision not to break up Milk Marque, at least a break-up would have allowed the various companies within it to develop processing. Will he look again at the serious issue of allowing Milk Marque to carry out processing?

Mr. Byers: I shall address processing and vertical integration specifically as the issue has been raised by several right hon. and hon. Members this afternoon. The hon. Member for Congleton (Mrs. Winterton) referred to the need for diversification and vertical integration in the processing industry.

In 1992, the Conservative Government decided not to allow Dairy Crest, the processing subsidiary of the former milk marketing boards, to be transferred to Milk Marque. They decided that it would not be appropriate to allow vertical integration. Since then, vertical integration has occurred in two areas. The MMC specifically addressed the point of whether vertical integration should take place, concluding:

"Although we did not find that Milk Marque was exploiting the scale monopoly situation in respect of its current vertically integrated processing activities, we consider that the planned enlargement of its vertically integrated processing capacity will give Milk Marque the ability to exploit still further the scale monopoly situation in its favour and it may therefore be expected to operate against the public interest."

In the light of that clear recommendation, I decided that there should be no expansion of its milk marketing operations unless sanctioned by the Director General of Fair Trading.

Mr. Tyler: What level of market share can or should Milk Marque fall to before the right hon. Gentleman is prepared to review the position?

Mr. Byers: As the hon. Gentleman will be aware, the review is decided by the director general of Fair Trading. The rules were established by the previous Government. It is a matter for the director general to refer Milk Marque to the competition authorities. That power was conferred on him by the previous Conservative Administration.

I turn to the point that was raised by the hon. Member for North Cornwall (Mr. Tyler) about the difficulties that would be created by the adoption of the interim remedies that I have put in place. I was particularly aware of the difficulties caused by the report's being published at this time, just as the new selling round was about to commence. I have received strong representations, including from Mr. Ben Gill, the president of the National Farmers Union, about the difficulties that would be created if we were to implement the interim remedies immediately. I have taken the view that it would be unfair to impose them at such short notice. I therefore propose that the interim remedies recommended by the MMC should not apply to the selling round that is about to begin. However, I shall require the director general to report to me within three months of the publication of the report on the undertakings received from Milk Marque.

Several hon. Members have also raised concerns about the six-month period in which I have asked the director general to discuss with Milk Marque and other interested parties the reform of the selling process. It is not a maximum of six months. If agreement can be reached sooner rather than later, I shall be pleased to receive recommendations within the six-month period. It would be great for the industry if agreement were reached before the next selling round early next year, and if the industry and the director general made some positive proposals. I hope that Milk Marque recognises that opportunity. I look forward to the day when it proposes a selling round and a process that can be agreed by the director general, since that would make an important contribution to ensuring that Milk Marque had a strong future ahead of it.

As our amendment makes very clear, we wish to strike a balance between the interests of the dairy industry and the interests of consumers. It would have been totally irresponsible of me, as Secretary of State for Trade and Industry, and in the light of the MMC report, to ignore its findings. By rejecting the imposed break-up of Milk Marque, but by allowing further time for consultation and discussion about the selling process, I have sought to balance those—sometimes conflicting—interests.

I look forward to the time when, in partnership, we can meet the consumer's interests through a healthy and thriving dairy industry. I believe that the decisions that we have taken following the Monopolies and Mergers Commission's report will provide us with the facility to do precisely that. I urge the House to reject the motion and support the amendment.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 176, Noes 326.

Division No. 227] **[7 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Beggs, Roy
Beith, Rt Hon A J
Bell, Martin *(Tatton)*
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brake, Tom
Brand, Dr Peter
Brazier, Julian
Breed, Colin
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burnett, John
Burns, Simon
Burstow, Paul
Cable, Dr Vincent
Cash, William
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cotter, Brian
Cran, James
Davis, Cynog
Davey, Edward *(Kingston)*
Davis, Rt Hon David *(Haltemprice)*
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Flight, Howard
Forsythe, Clifford
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harvey, Nick
Hawkins, Nick
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Heseltine, Rt Hon Michael
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Keetch, Paul
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Kirkwood, Archy
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
Maclennan, Rt Hon Robert
McLoughlin, Patrick
Major, Rt Hon John
Malins, Humfrey
Mates, Michael
Maude, Rt Hon Francis
May, Mrs Theresa
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Morgan, Alasdair *(Galloway)*
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Osten, Mark
Öpik, Lembit
Page, Richard
Paice, James
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ross, William *(E Lond'y)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Smyth, Rev Martin *(Belfast S)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, Rt Hon John D *(Strangford)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Thompson, William
Tonge, Dr Jenny
Townend, John
Tredinnick, David
Trend, Michael
Trimble, Rt Hon David
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Wardle, Charles
Webb, Steve
Wells, Bowen
Welsh, Andrew
Whittingdale, John
Wigley, Rt Hon Dafydd
Willis, Phil
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mrs. Eleanor Laing and
Mr. Geoffrey Clifton-Brown.

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Armstrong, Rt Hon Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Rt Hon Stephen
Caborn, Rt Hon Richard
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Cook, Rt Hon Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Cranston, Ross
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunliffe, Lawrence
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Davey, Valerie *(Bristol W)*
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Dowd, Jim

Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Gapes, Mike
Gardiner, Barry
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Healey, John
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hoey, Kate
Hood, Jimmy
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Rt Hon Barry *(Alyn)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Livingstone, Ken
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Rt Hon Ian *(Makerfield)*
Macdonald, Calum
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Meacher, Rt Hon Michael
Merron, Gillian
Michael, Rt Hon Alun
Michie, Bill *(Sheff'ld Heeley)*
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
O'Brien, Bill *(Normanton)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Quinn, Lawrie
Radice, Rt Hon Giles
Rammell, Bill
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Roche, Mrs Barbara
Rooker, Jeff
Rowlands, Ted
Roy, Frank
Ruddock, Joan
Russell, Ms Christine *(Chester)*
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Short, Rt Hon Clare
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

Tellers for the Noes:
Mr. David Clelland and
Mr. Mike Hall.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House recognises the economic difficulties faced by the dairy industry; supports the Government's efforts to reform the Common Agricultural Policy during the recent Agenda 2000 negotiations in order to move towards a freer, more competitive market; welcomes the publication of the Monopolies and Mergers Commission report on the supply of raw milk; notes its conclusions and looks forward to a new selling system being in place which meets the needs both of consumers and the dairy industry; endorses the Government's view that the industry itself must help shape its own future; and congratulates the Government for its support for industry initiatives to achieve this.

Education (Choice and Diversity)

Mr. Deputy Speaker (Mr. Michael Lord): We now come to the second debate on the Opposition motions. I must advise the House that Madam Speaker has selected the amendment in the name of the Prime Minister.

7.13 pm

Mrs. Theresa May (Maidenhead): I beg to move,

That this House deplores the reduction in choice and diversity in education caused by the Government's abolition of grant maintained status, introduction of ballots to close grammar schools and restriction on the ability of schools to determine their own ethos; notes with concern the threat posed to school sixth forms by the Government's review of post-16 education; condemns the pursuit of uniformity at the expense of diversity; believes that the increasing bureaucratic burdens placed on schools, teachers and governors by the Government and its practice of holding back funding at the centre, to be allocated on the basis of a complicated bidding process, have a particularly adverse impact on rural schools; and further believes that these policies will damage children's education.

I welcome the opportunity to start this debate—particularly as the Government have not initiated a separate debate on education for the best part of a year—and to set out the damage that the Government are doing to education. Schools and children are suffering as a result of the increases in bureaucracy and centralisation, and of the reductions in choice and diversity. The abolition of grant-maintained status, the ballots to close grammar schools, the restrictions on schools' ability to determine their own ethos—all those policies are aimed at establishing greater uniformity and permitting less choice.

The Government make rigid policy prescriptions from the centre, for example on class sizes and on how money can be spent. That, together with increasing bureaucracy from the centre, has caused real problems for schools. Nowhere are such problems felt more keenly than in rural areas. Small rural schools are under particular threat. Reduced class sizes, and hence lower school numbers, have led to cuts in funding, while prescription by Government takes no account of the different needs of rural schools. In addition, increased bureaucracy is especially difficult for a small school with few teachers.

It is time that the Government woke up to the reality of their policies and realised that, despite their rhetoric, the reality is that education is being damaged and children are suffering.

Mr. Phil Hope (Corby): I note that the motion states that education will be damaged under the Government's policies. Will the hon. Lady comment on the record of achievement of the previous Tory Government? While that Government were in power, the number of exclusions rose, as did illiteracy levels. There were also more unqualified school leavers, and class sizes grew. Under the Tories, did not choice in education mean education for a few, and poor education for the many?

Mrs. May: I thought that the hon. Gentleman was about to give the page number from which he was quoting in his brief. I am more than happy to comment on the introduction of the national curriculum, which the Labour Government accept, as they accept standard assessment tests, Ofsted and many of the other things that the previous Government introduced.

Mr. Michael Jack (Fylde): My hon. Friend referred to the difference between rhetoric and reality. Last Friday, I visited St. Joseph's school, a small Roman Catholic school in my constituency. The headmistress told me that she had been led to understand that, under the Government's proposals for the so-called national grid for learning, the amount of money that she would receive would be properly assessed. However, the reality was that she was given a formula funding that took no account of her many hours of hard work to present her case for the school. Does that not support my hon. Friend's contention?

Mrs. May: I am grateful to my right hon. Friend for raising the issue of what happened at that school. It supports what I have said, and what I intend to say later in my speech, about the Government's lack of flexibility. The Government constantly prescribe from the centre: Whitehall, and not the schools, decides how the money will be spent.

Liz Blackman (Erewash): Will the hon. Lady give way?

Mrs. May: No, I shall make progress.

Since the Government came to power in May 1997, there has been a lot of activity with regard to education, but it is a pity that so much has been destructive. The focus has been on damaging good schools and on drawing power away from local level and into the centre. That much is borne out by the example given just now by my right hon. Friend the Member for Fylde (Mr. Jack).

We should make no mistake: in the past two weeks, with regard to local authority spending and the post-16 review, the Department for Education and Employment has taken further

"steps to reinforce its unenviable reputation as the most centralist Department in government",

and brought forward proposals that

"represent a centralist approach, with significant powers and budgets controlled by unelected people responsible to Whitehall, not local communities."

Those are not my words, nor even the words of a Conservative Member. They are the words of Sir Jeremy Beecham, chairman of the Local Government Association and Labour's most senior councillor. *[Interruption.]* They are a sad comment indeed on the way in which this Government are taking power away from local level—from local education authorities, schools and parents.

Mr. Robert Jackson (Wantage): Did my hon. Friend note the scornful reception that Sir Jeremy Beecham's name received among Labour Members?

Mrs. May: I thank my hon. Friend for that comment, and I agree that the reception was scornful. Sir Jeremy has given years of service to his party as a councillor. I am sure that other Labour councillors, and Sir Jeremy Beecham himself, will have noted how his views are being cast aside.

That happens all the time. The Government are not interested in the views of people who understand what is happening in schools and local authorities. They are interested only in their own rhetoric, their own press releases and their own headlines. The Government are interested more in telling parents and teachers what to do than in raising standards.

[Mrs. May]

As I have said, the Government do not take any notice of what actually happens in schools. Ministers take no notice of what teachers say and have turned their back on the teaching profession. I know also the ridicule with which my next comment will be met: perhaps they should take heed of today's comment from the National Union of Teachers:

"The Prime Minister and his Government are caught in the web they have spun for themselves. They cannot gain the respect of the profession through imposition."

Jacqui Smith (Redditch): Does the hon. Lady still think that the literacy hour is too long?

Mrs. May: The hon. Lady will have to come up with something better than that. I suggest that she looks at the research from the university of Warwick, which suggests that the literacy hour should be split into different sessions, rather than all being in one session. I suggest that she looks at the impact of the hour on more able pupils, because it is failing them.

Fiona Mactaggart (Slough): Will the hon. Lady give way?

Mrs. May: I will take one more intervention and then make some progress.

Fiona Mactaggart: On that point and on the hon. Lady's point about how the NUT is right, did she share my concern about the NUT suggestion that the literacy hour should be an entitlement for teachers to train in, rather than an entitlement for children to learn in?

Mrs. May: One of the problems with the literacy hour is that it takes professional judgment away from teachers. We all believe in raising literacy standards, but I suggest that the hon. Lady asks some teachers in primary schools about the matter, as I do frequently. One said to me that the hour was an insult to teachers. I suggest that she thinks about that.

I shall look in more detail at the impact of Government policy in several areas. GM schools have found to their cost that all the Government's protestations, when the School Standards and Framework Act 1998 went through, that they would level up school funding so that GM schools did not lose out were just so many words. Throughout the country, former GM schools find themselves with budget cuts, forced to look at sacking teachers, increasing class sizes, stopping classes—a variety of measures are having to be taken as a result of Government policy.

I have several quotes from GM schools setting out their problems. A primary school in Derbyshire says:

"The gap between government rhetoric and economic truth is breath-taking . . . the children in most need are the ones most threatened by these actions".

A school in Bolton says that the policy will mean an estimated 15 per cent. reduction in teaching staff. Gloucestershire primary schools say:

"we would not be able to maintain the current level of teachers per class plus non-teaching head, a reduction in non-teaching staff and no time for staff to monitor teaching and the curriculum".

The Secretary of State for Education and Employment (Mr. David Blunkett): Is the hon. Lady prepared to accept that those comments from the schools were prior to my decision and announcement at the Association of Heads of Foundation and Aided Schools conference, which now incorporates GM schools? Just 10 days ago, the announcement was welcomed by Bob Lloyd, the new chair of that organisation, who said:

"This is good news for all schools. We are delighted that David Blunkett has listened to the concerns. He is now taking action to ensure all schools are properly resourced".

Does that not show that, although she may been told those facts by schools before I made the announcement, she is now entirely wrong?

Mrs. May: I do not accept that I am entirely wrong because those are problems that the schools are facing today, regardless of the future extra funding that the Government have said that they might put in place. Following his statement to that conference, the word that I am hearing from GM schools is that they are very concerned about the future. They still have to face difficult decisions and budgetary problems in relation to the future of teachers and classes, despite what the Secretary of State has just said.

Mr. Phil Willis (Harrogate and Knaresborough): On the same point, does the hon. Lady accept that, under the previous Administration, the vast majority of schools in Britain made those comments because, under her party's policy, additional money went to a few schools that were grant maintained, at the expense of the vast majority, which had to pay for that?

Mrs. May: That comment does not deserve a response. The hon. Gentleman knows full well that the money for GM schools in addition to the money that was given to local authority schools was spent otherwise on bureaucracy at local authority level.

Sutton Grant Maintained Schools Finance Group has written to the Secretary of State. It has pointed out that it has nearly £1 million less than is required to maintain staffing and curriculum just at last year's levels. In Liverpool, there was concern that changes in the budget

"would result in larger class sizes and possible loss of smaller subjects from the curriculum, thus producing a detrimental effect on pupils' education".

In Warwickshire, GM schools have spoken about having to do some or all of the following: increase class sizes; lose a second language in key stage 3; reduce option choices at key stage 4; more teaching of second subjects by teachers and the use of non-specialists in some areas; reduction of some special needs support; post-16 reduction in schools with sixth forms; some schools having to consider redundancies this year and the next.

Miss Melanie Johnson (Welwyn Hatfield): Will the hon. Lady give way?

Mrs. May: I will in a minute.

Whatever the Government may say about GM schools funding, the blame lies fairly and squarely at the

Secretary of State's door. I quote a letter to the Secretary of State from a head teacher of a GM school in Kent:

"The fundamental working principles that are emerging from the Department, which are being cascaded down through the LEA to schools, is increasing bureaucracy, reducing delegation and restricting school management. In an attempt to curb LEAs' control of funds and educational management, the Department appears to be moving towards even greater centralisation."

Mr. Edward Garnier (Harborough): That is exactly the experience that two head teachers from my Leicestershire constituency recounted to me at the end of last week. Far from the Labour party policy of education, education, education producing good results, it has been translated directly into lose a teacher, lose a teacher, lose a teacher.

Mrs. May: I am grateful to my hon. and learned Friend for that intervention. He points out again to the Government the reality of their policies.

Several hon. Members *rose—*

Mrs. May: I have not finished responding to the intervention.

The Government's policies mean that teachers are being made redundant, schools are increasing class sizes, and some courses are having to be stopped or taught by non-specialist teachers. The blame lies fairly and squarely at the Secretary of State's door.

Miss Johnson *rose—*

Mrs. May: I apologise to the hon. Lady and give way.

Miss Johnson: Will the hon. Lady comment on the decision of the new Tory leader of Hertfordshire county council, who, at the policy committee on 1 July, told the new council that it would not be spending all the 6 per cent.—£27 million—extra that the Government will allocate to Hertfordshire next year on education, but would be cutting the increase to schools? Does she support that new Tory leader, or will she dissociate herself from those actions?

Mrs. May: The budget that was set for this year by Hertfordshire county council was the budget that was set by the Labour authority, to which the Secretary of State had to write to complain about Labour councillors' decisions.

All the GM schools that I have quoted will, I am sure, do their best for the children in their classrooms.

Valerie Davey (Bristol, West): Will the hon. Lady give way?

Mrs. May: No. I will make some progress.

As GM schools suffer from the impact of Government policy, so that impact will ultimately fall on children in the classroom. Abolishing grant-maintained status reduces diversity.

Mr. Geoffrey Clifton-Brown (Cotswold): Will my hon. Friend give way?

Mrs. May: I will make a little more progress, if my hon. Friend will allow me.

Threats to grammar schools also threaten diversity, as do the actions of a number of Labour-controlled councils that have chosen to refer policies of partial selection to the adjudicator.

Earlier today in Prime Minister's Questions, the Prime Minister tried to put the blame elsewhere, but parents know that he said two years ago in the Wirral:

"A Labour government will not close your grammar schools. That is my personal guarantee."

His Government introduced ballots that are rigged in favour of those who want to get rid of grammar schools. In some ballots, parents of children at the grammar school will not even have a vote. And now we hear—surprise, surprise—that Labour activists are fighting to abolish grammar schools throughout the country.

Good schools should not be closed down; they should be encouraged and, where appropriate, helped to expand. We should preserve the best and improve the rest, not abolish the best and prescribe for the rest.

What of the part played by Labour councils, which are now referring partial selection policies to adjudicators and trying to abolish even that limited selection? Once again, Labour shows that it has no interest in providing the right education for each child. That move by Government—

Several hon. Members *rose—*

Mrs. May: It is a long time since I had offers from four men all at once. I think that I saw the hon. Member for South Thanet (Dr. Ladyman) rise first.

Dr. Stephen Ladyman (South Thanet): The theme of this debate is choice and diversity. In my constituency in Kent, there is no choice of secondary education because there is only a selective education system. There are no comprehensives within that system. If the hon. Lady believes in choice and diversity, will she join me in the campaign to introduce comprehensive education to Kent so that we have choice and diversity?

Mrs. May: I assume that that means that the hon. Gentleman will be one of the Labour activists out there fighting to abolish grammar schools in his constituency. I hope that the parents let him know exactly what they think about that.

Mr. Clifton-Brown: Is my hon. Friend aware that 90 per cent. of all my secondary schools in Gloucestershire are grant maintained? They chose to become so because they wanted to manage their own affairs. Now, they are being penalised. There will be larger class sizes and we will lose teachers because of the Government's policies. Is that not a disgrace?

Mrs. May: My hon. Friend is right, it is a disgrace and it is children who will suffer. Children's education will suffer because of the Government's dogmatic intent to get rid of grant-maintained status.

Mr. Bob Blizzard (Waveney) *rose—*

Mrs. May: I shall make a little progress before I give way.

[Mrs. May]

That move by Government to reduce choice and diversity is linked with a reduction in flexibility at local level. Lack of flexibility—for example the lack of flexibility in infant class sizes—is hitting rural schools particularly hard. That policy means, for example, that at Broomley First school in Stocksfield, Northumberland, a rota is being proposed in which three pupils from the 33-strong year 2 class will drop down to year 1, which has only 25 pupils, for three two-hour sessions a day. That migration involving nine youngsters a day would allow both classes to remain below the Government's 30-pupil target.

The director of education for Northumberland county council has said that he believes that many other schools will find themselves struggling when 30-pupil limits become mandatory in 2001. The director said:

"Mr. Blair promised that all early years children would be in classes of under 30, and while that sounds great at the ballot box, it causes real difficulties in practice.

Broomley was faced with a dilemma . . . From 2000, all year one and two classes will have to be below 30, and what you're seeing here could be multiplied many times over because of the rigidity of the Government rules. I think the Government ought to rethink this particular policy."

Mr. Dominic Grieve (Beaconsfield): An avalanche will descend on the Government's shoulders judging by my experience with primary schools in my constituency, some of which are the best in Buckinghamshire. Parents are writing to me about that very matter. Years 1 and 2 are being mixed up to meet totally barmy criteria. Sometimes, three or four children are being moved from classes when there was no difficulty in teaching 33 or 34 children previously.

Mrs. May: My hon. Friend is right. Yet again, it is due to the fact that the Government will not allow schools to decide what is best for children at the local level. Schools that have been providing good education for their children are having to disrupt themselves and move children around in that way. Some parents are finding that their parental choice is being taken away.

Dr. Howard Stoate (Dartford): May I clarify the Opposition's policy? Is she telling my constituents that it is all right for classes to be greater than 30? My head teachers tell me that the Government's policy of 30 children to a class is working and is giving more diversity and better education to their children. Is the hon. Lady saying that it is Conservative policy to increase class sizes and to have more than 30 in a class?

Mrs. May: It is important to have flexibility at local level to decide class sizes. That is the policy that we adopted during the passage of the School Standards and Framework Bill. Unfortunately, the Government have set their face against that flexibility. As a result, schools such as those in the Buckinghamshire constituency of my hon. Friend the Member for Beaconsfield (Mr. Grieve) have to turn children away, move them between classes or introduce mixed age groups when they had not had them before, all of which could disrupt children's education. That is the reality of what is happening and I suggest that the hon. Gentleman considers what is happening throughout the country as a result of the Government's policy. It is a question not merely of disruption in the classroom, but of potential teacher losses.

Again, I am about to do something that will cause laughter on the Labour Benches because I am going to quote another teacher trade union, the Association of Teachers and Lecturers, which surveyed a number of schools in England and Wales. The results showed expected job losses of 2,051 teaching posts nationally. A member of the ATL from Sefton borough council said:

"Class size reduction policy has given huge amounts to two primary schools to build extra classrooms and reduce the intake . . . of all other schools. The result is that the two . . . schools now take over 900 pupils while the rest crumble."

Again, that shows the reality of what is happening at the grassroots.

The Government may well say that it is all right because they are putting much more money in to reduce class sizes. However, it is not as easy as that. In *The Times Educational Supplement* last week, Mike Baker wrote an article about the problems of his local primary school. He said:

"the schools where I live have a very high proportion of primary classes of 30-plus pupils. Under pressure from the Government, the council plans to reduce class sizes . . . If my daughter's school cuts class sizes it would be turning away even more children from a good and popular school."—*[Interruption.]*

Mr. Deputy Speaker: Order. We must not have these exchanges—in particular the sedentary exchanges between those on the two Front Benches.

Mrs. May: Thank you, Mr. Deputy Speaker. Mr. Baker continued:

"It has no space to expand and has too many 'temporary' classrooms which have been there for decades."

The school had a policy to deal with that problem: the junior school would move into the infant school and a new infant school would be built. However, the infant school was to be built on a playing field and the Government's playing field policy came into play. So, as Mike Baker says:

"you can see why this issue has become a spaghetti junction of contradictory national policies: class sizes, popular schools, playing fields".

He continues:

"It is sobering to realise that as Whitehall and Westminster increase their centralising power over education, it is local education issues which most excite parents. At a time when some question the role of local authorities, it is interesting to see how it is often locally-elected councillors who feel the heat generated by conflicting national policies."

That is a view with which Sir Jeremy Beecham might, I suspect, agree.

Today, I heard of another problem resulting from the class size problem. In the village of South Marston in Wiltshire, we have a school with 96 pupils. Because of the class size pledge to reduce classes to 30 children, the school needs an extra teacher and an extra classroom. The Government have given it money for an extra teacher, but have turned down its two applications for an extra classroom. What is the point of having an extra teacher if there is nowhere for them to teach?

It is in rural areas that so many of the problems are now coming to the fore. Indeed, the Local Government Association is mounting a three-phase campaign to

highlight the difficulties encountered by rural schools, many of which are faced with closure. In March 1998, the then Minister for School Standards, the right hon. Member for Tyneside, North (Mr. Byers) announced on television that he was introducing

"tough new protection for village schools".

The Government, he said,

"have put in place safeguards and measures that will protect rural primary schools".

He should try telling that to the parents of children at Berkley Church of England school in Somerset, or the nine-year-old who has written to me about the closure, saying:

"I was shocked and upset to hear the proposal of the closure of my school . . . I can't see how Somerset county council can shut down our school that has just had an excellent Ofsted and Distinction in our last Choral speaking Exam. We put on plays and concerts in St Mary's Church and each time extra seats need to be provided.

I have had a great time and Education at Berkley and all other Pupils will say the same, another thing we all agree with is that we are PROUD of our School and won't let anyone Close it."

Dr. George Turner (North-West Norfolk): Before the hon. Lady continues as the new champion of rural schools, will she say something about the 500 that her party closed when it was last responsible for the governance of schools? Will she particularly say something to those in my home county of Norfolk about the 100 schools that her party closed? The £2 million that this Government are investing to reduce class sizes is helping rural schools in my environment, as is the building work that is going on. For the first time in 20 years, there is a feeling of optimism in our Norfolk villages.

Mrs. May: I suggest that the hon. Gentleman tells that to the residents of Potter Heigham, where their school is closing.

The Government simply do not understand the needs of rural areas, such as the high cost of school transport and the necessity for many parents to use their cars to take their children to school. Funding is an issue in rural areas. It is not only shire counties and shire unitary authorities that have done badly from the Government's funding settlement.

Mr. Blunkett: Just to show that we all know exactly what we are doing, perhaps the hon. Lady will tell me how many children attend Potter Heigham school, which she has used as an example of how badly we are doing?

Mrs. May: The Secretary of State will know that the impending closure of Potter Heigham school and the impact of the Government's decisions on it caused considerable concern in the village. [HON. MEMBERS: "How many?"] In fact, such concerns—

Mr. David Prior (North Norfolk): Potter Heigham school is in my constituency. The failure of the Labour and Liberal Democrat-controlled local education authority to support that school led many parents to take their children away from it. [HON. MEMBERS: "How many?"] The school has almost closed thanks to this Government's policies. *[Laughter.]* Government Back Benchers' laughter is a absolute disgrace and will horrify many parents living in Potter Heigham.

Mr. Blizzard: On a point of order, Mr. Deputy Speaker. Is it in order for hon. Members to conceal the truth from this House that Potter Heigham school has three pupils?

Mr. Deputy Speaker: That is not a point of order for the Chair; it is a matter for debate.

Mrs. May: In rural areas, funding has always been an issue, but the Government have never understood the funding problems faced in many of them. That is why the Minister for School Standards wrote to North Yorkshire county council to explain that Hull gets more funding per pupil because of social deprivation—as if rural areas have never suffered from deprivation. Rural areas face particular challenges, but they differ greatly. That is why flexibility is especially important.

Mr. Gordon Marsden (Blackpool, South): Will the hon. Lady give way?

Mrs. May: No. I have taken many interventions, so I want to continue.

Many rural schools are most frustrated at the way in which the Government are holding back funds to be spent on projects chosen from the centre, and not on those that would best suit the needs of children in such schools. Many rural schools are worried about the possible closure of school sixth forms as a result of the review that the Government are initiating, which allows for two options for funding—both of which rely on the Secretary of State telling the bodies concerned how much money to spend.

Mr. Tony McNulty (Harrow, East): Three pupils!

Mrs. May: There are many problems in education today. Through their opposition to school freedom, local decision making and the provision of education that is right for each child, the Government are reducing choice and diversity in pursuit of uniformity. Teachers and schools are weighed down by the Government's bureaucratic burdens and the constant flow of prescription from the centre. In all of that, those who will suffer most are the children.

Mr. McNulty: Three!

Mr. Deputy Speaker: Order. I do not want again to have to call hon. Members to order for repeated seated interruptions.

Mrs. May: I think that the hon. Member for Harrow, East (Mr. McNulty) was marking his own interventions.

I want schools to be set free, teachers to be allowed to get on with teaching, parents to be able to choose for their children and children to be helped and encouraged to develop their full potential. I object to the Government's policies not just because they restrict schools, prescribe to teachers and reduce parents' choice, but because they

[Mrs. May]

damage children's education. I encourage all hon. Members who are interested in children's education to vote with me in support of the motion.

7.47 pm

The Secretary of State for Education and Employment (Mr. David Blunkett): I genuinely wanted to be able to congratulate the hon. Member for Maidenhead (Mrs. May) on her first speech from the Front Bench as shadow Secretary of State. I thought that she was doing fine until she mentioned Sir Jeremy Beecham. At that point, she misunderstood an "Ooh-ah Cantona" as an attack on Sir Jeremy rather than an echo of Opposition Members' applause for him. We all agree that local government is critical and that we should ensure maximum flexibility locally, but I want to make one or two things clear before I respond to the hon. Lady's speech.

If local authorities like Tory-controlled Buckinghamshire or Northumberland cannot manage to operate our class size pledge without causing the disruption that the hon. Lady has described, we will do it for them. If they are not capable of managing it, they should let us know. The task of coming up with the plans, with the schools, has been devolved to them. It is decentralist. It is not bureaucratic; it is not being run from Sanctuary buildings. It is being run in conjunction with schools and authorities.

Secondly, if Opposition Members are to give the hon. Lady information and she is to use it in this House, she should for God's sake ensure that she has done her homework on it. If she uses an example of a school in north Norfolk in which there are only three pupils—[HON. MEMBERS: "That is not the point."] It is exactly the point; this debate is on diversity and choice. Who has made the choice of which school their children attend in north Norfolk? The parents have made that choice.

Mr. Prior: It was the choice of the LEA to close that school. Following that decision, it was not surprising that parents chose to send their children elsewhere.

Mr. Blunkett: But why was the decision made to close the school? *[Interruption.]* I am hearing interesting heckling, but I am addressing my remarks to the hon. Gentleman. Why was the decision taken? Was it because the school was succeeding and parents were flooding it with their children, or because the school was struggling and had received a particularly unfortunate Ofsted report and parents had ceased to support it by sending their children there? That is the essence of the debate about diversity and choice. If we want choice and diversity to be in the hands of parents, they should be able to take the decisions to back that up, including having a vote on whether they want a selective system for children aged 11.

None of that comes as a surprise. The hon. Member for Maidenhead is very charming. I do not mind saying that because her husband is here tonight and I want to protect her from the slur that she has made against herself by saying that it was a long time since four men at once were after her. I wondered when the previous time had been. Last year, in her previous Front-Bench Opposition job, she said famously that we had inherited a golden legacy. I have thought about that a lot since. The Conservatives' golden legacy started with early years. They refused initially to accept that nursery provision was necessary for anyone but the better-off, who could pay for it. When they changed their view and reverted to the commitment made by Baroness Thatcher in the early 1970s to expand nursery education, they decided to do it through the voucher scheme.

What was the impact of the voucher scheme? It started to create market chaos in which providers were put out of business, particularly in Norfolk. The previous Secretary of State, the right hon. Member for South-West Norfolk (Mrs. Shephard), would never accept that she was damaging her county by undermining choice where diversity did not exist. Expanding to ensure a nursery place for all four-year-olds and putting in place admissions policies for infants which ensure that children cannot be denied a place because they had not gone to the nursery school attached to that infants school has increased choice and diversity.

Mr. Michael Fabricant (Lichfield): Does the right hon. Gentleman accept that in rural areas such as Staffordshire, which has small villages without local schools, the voucher system enabled nursery groups to be set up? With the abolition of the voucher system, those groups have had to close, resulting in the children either being unable to go to nursery schools in neighbouring larger towns or being shipped in by parents at great cost?

Mr. Blunkett: But 900 playgroups closed in the last year of the Conservative regime. We have intervened to put an extra £500,000 in, expanding the amount of money available to the Pre-School Learning Alliance. Whatever the attacks on the Government, we shall continue to support that diversity. As we double the number of nursery places for three-year-olds over the next three years, we shall create even more places in rural as well as urban areas.

The golden legacy on class sizes left 500,000 youngsters aged five to seven in classes of more than 30. We are taking the positive action that parents have demanded.

Mrs. May: The Secretary of State talks about the figures for closures of pre-school playgroups. Will he accept the figures produced by the Pre-School Learning Alliance that over the past two years 1,500 pre-schools have closed and there is an expectation that 1,700 will close over the next year?

Mr. Blunkett: I do not accept those figures, because we have to consider those that are opening as well as those that are closing. We have to take into account the resources that have been put in, the opportunities that have been gained and the working party that has been established to ensure that we provide diversity. We can give a clear role to the Pre-School Learning Alliance and other bodies in providing for younger children as well as for four-year-olds. That is linked to our child care strategy. We are linking nursery with other playgroup activity and providing an opportunity for parents to make the decision.

In the end, parents will choose. That is what the debate is about. If they have a choice between a pre-school group and a nursery and they choose the nursery, who am I to intervene? I ask rhetorically, of course, because we are all

in favour of diversity and choice. We are in favour of it for those 500,000 youngsters who, through no fault of their own, found themselves in classes of more than 30 at a crucial moment in their education when class size makes a difference. We know that it does because everybody tells us—Ofsted tells us, research tells us, those who buy in the private sector tell us—so we are doing something about it by expanding the number of places in popular schools. We have already added 12,000 places. By September we shall have removed 300,000 of the 500,000 youngsters from over-sized classes in infants schools. That is a good record that I am proud of. If there are hiccups, we shall help the schools and the county councils to sort them out with extra facilities and extra teachers.

What about choice and diversity and the golden legacy of the two out of every five children who could not read, write and add up at the age of 11 when we came to office? What about our terrible imposition of a literacy hour and a numeracy hour? Yes, a full hour. Some 90 per cent. of heads have said that it is working and they welcome it. On Monday, when I went to Wesley Green school on the Blackbird Leys estate in Oxford, I found that the teachers were over the moon, the pupils were enthusiastic and the school had doubled the number of children reaching level 4 in literacy this year and trebled the number of children reaching level 4 in numeracy having piloted the numeracy programme. That is real choice and diversity that offers proper standards rather than rubbish for some and excellence for others.

Mr. Christopher Fraser (Mid-Dorset and North Poole): Does the right hon. Gentleman accept the criticism that has been levelled against the Government by schools in my constituency that every hour of the literacy hour requires at least three or four hours of preparation by the teacher? That takes them away from being in the classroom.

Mr. Blunkett: That would be a shame if it were true, but the literacy framework and the materials provided with it have given a structure and the back-up to help all teachers, including newly qualified teachers. I meet NQTs all the time and they say that it is a phenomenal change and a real improvement. Linked to a new induction from September, it will make an enormous difference to them. They do not have to reinvent the wheel, but simply have to use what works best across the board.

Dr. Stoate: When I visited Knockall school in my constituency, I found those there delighted by the literacy hour. I took part in it with the children and the teachers. They were even more delighted about piloting the numeracy hour. I was astounded by the numeracy of the children in year 5. I was at Fleetdown school this morning, which was also doing extremely well in the literacy hour. Those schools are examples of success in delivering excellent education to children.

Mr. Blunkett: Quite right. I am sure that the chief inspector of schools would not mind my referring to his comments this morning on Radio 4, when he said that the literacy and numeracy hours were not an imposition and were not bureaucracy, but were clearly working in the interests of children.

Mr. Willis: And the chief inspector is always right.

Mr. Blunkett: I am being heckled, but just for once I shall not rise to the bait.

What about the golden legacy of no basic curriculum for teacher training, no new deal for schools, none of the investment that we are making in transforming the environment for schools and no learning grid?

I was interested to learn tonight that there have been grumbles from St. Joseph's primary school about the way in which the learning grid resources are being allocated. I thought that we were supposed to rely on the diversity of local government to arrange that allocation with schools. I thought that we were being chided for being too centralist and for running everything from Sanctuary buildings, and we are told that we should let county councils and schools run everything. However, on every scheme that we are not running from Sanctuary buildings, we are chided for what is happening at local level, which is the fault of the county council.

Here is another conundrum: every time we have formula funding, we are criticised, as we were criticised tonight in respect of St. Joseph's, and when we do not have formula funding, we are criticised for making the funding too specific. What do the Opposition want? Do they want formula funding, or do they want funding to be specifically provided to schools? Do they want the local authority or the Department of the Environment, Transport and the Regions to determine that funding? Do they want a literacy hour and a numeracy hour, or would they like to leave two out of five children languishing without a decent education, as they were before?

Dr. Julian Lewis (New Forest, East): I have a positive suggestion to make, and I want to know whether the Secretary of State will subscribe to it. Given, as he rightly says, that the key problem is that by the time children move on, at age 11, to secondary school, too much damage has been done by insufficient levels of literacy and numeracy, does he accept that it would be in everybody's interest if national performance tables were published, showing the results of the tests at age seven, so that one could find out which schools were succeeding and which were failing? Would it not be helpful also if the tables contained a register of how much cash was being spent per pupil at each school and the average class size at each school? We would not then be having these debates in a vacuum; we would have solid data and people would know what was working and what was not.

Mr. Blunkett: I thought that we were being criticised for taking too much time and spending too much money on measures that are not directly related to teaching in the classroom. We are criticised for collecting too much information, for asking too much of schools and teachers and for giving them too many forms to fill in, so that too much information is coming out of Sanctuary buildings. We have been so hurt by that criticism that I have asked the Under-Secretary, my hon. Friend the Member for Norwich, South (Mr. Clarke), to spend a great deal of his time unravelling that process and making sure that we do not place greater demands on schools. The Conservatives sent out 80 separate documents when they organised the national curriculum, but we have reduced that to one document.

We are doing our utmost to respond to the needs of teachers and schools. I am hurt by the terrible fact that whatever we do, we cannot get it right. The only consolation is that we are turning things round and making a difference. We are changing what is happening

[Mr. Blunkett]

in schools and motivating decent teachers and lifting their morale. We are ensuring that schools are building their confidence. They will have the resources to do that over the next three years. They are having their buildings repaired. They are getting a learning grid that never existed under the Tories.

This August, there will be 1,200 summer schools that never existed under the previous Government. There is a new excellence in cities programme. There is a new pay and performance programme with £1 billion of extra resources to pay teachers. There is a new admissions code that tries to unravel the shambles that we inherited which has bedevilled the delivery of education at a local level and undermined choice and diversity for parents.

Mr. Andrew George (St. Ives): I seek the Secretary of State's advice and guidance on an area of the legacy to which he is referring. There is a lack of choice in rural areas, such as my constituency in west Cornwall, because as a result of the Rotherham judgment, of which the Secretary of State will be aware, parents can no longer choose to send their children to the school in whose catchment area they live. What action will the Department take to ensure that parents do not have to bus their children to the nearest market town instead of the local school that they want their children to attend? That has been the result of that judgment and previous Tory policy. Will the right hon. Gentleman continue to follow that Tory policy?

Mr. Blunkett: I am grateful to the hon. Gentleman for reminding me that in the admissions code and the regulations that have been published, which take effect from this autumn, we are establishing local admissions forums and providing an independent appeals process for parents. We shall ensure that there is adjudication over school reorganisation and that parents living near the school can exercise their preference, which they must do at the beginning of the process. That process will be open and transparent, and we are building in new information requirements for parents. All that will help enormously.

In the end, parents can only state a sensible preference and have any semblance of choice if we raise the standard of education in schools across the board. People will then make preferences based not on the fact that some schools provide an awful education—in which case supply and demand are out of kilter—but on the diversity to which Conservative Members have referred. If we raise the standard of all schools, choice will be made according to the ethos of the school, not the standard of education on offer. While demand for and supply of schools is not in equilibrium, we are letting down parents and children. Some parents will get their child into a school at the expense of someone else's child.

What we heard from the Conservatives earlier was tragic because it was all about the few, rather than the many. It was all about what had happened to a small number of children. I have made it clear that we value children, teachers and parents, wherever they are and whatever their status. It is no good the hon. Member for Maidenhead or her colleagues going over old ground. They can refight the 1997 election on grant-maintained schools and selection as often as they like, but it is a dead agenda. It has been dead from 1 May 1997. The GM schools have moved on and so have the parents. We have all moved on to ensure that we raise the level of funding in all schools to the level that GM schools had, not the other way round. Those schools respect and accept that, and I am proud that we have managed to reach an accord with them.

In the end, all that matters is that children get a decent education. It does not matter whether we fall out here tonight or whether we knock spots off each other. We shall be judged on whether we have made a difference.

Mr. Crispin Blunt (Reigate): The right hon. Gentleman will need no lessons about the fact that secondary school heads are extremely busy people with onerous responsibilities. Twenty of them came from Surrey to lobby their MPs, and they included heads of grant-maintained schools who are struggling with the change and have experienced a cut in resources per pupil. However, that is not the point that I want to make.

All those heads agreed that the difficulty that they face is in controlling and getting access to resources so that they can decide how to allocate them in their schools. They said that the complicated bidding process, in which they must bid for money for all the different little schemes, is an enormous bureaucratic burden. Will the right hon. Gentleman undertake to allow the Under-Secretary, who is examining that process, to consider how funding is allocated to schools and to free up the secondary school heads in Surrey and elsewhere so that they can use the resources as they and their governors see fit?

Mr. Blunkett: I am going to surprise the hon. Gentleman by saying yes. I am very keen to ensure that we consider sensible suggestions about how to deal with genuine problems. Surrey received an extra £21 million, which is an increase of 6.3 per cent. We need to make sure that the money reaches schools. That is why I published the tables two weeks ago. We need to make sure that there is an additional delegation of at least 5 per cent. per pupil from next April. We need to examine how the standards fund and other resources reach schools, and make sure that they do so in the least bureaucratic fashion possible. Surprise, surprise—I am prepared to listen and to take action in the interests of children.

We are in favour of diversity and we are in favour of choice. In the end, those will only be possible because of the resources and changes that we have introduced.

We are determined to pursue our policies because they are working. More failing schools are coming out of special measures than are going in, and they are doing so in a shorter period of time. We are delivering excellence by spreading it between beacon schools, from where it spreads out into the community. We are already doubling and will double again the number of specialist schools, and placing them under an obligation to share that specialism with the community and with other schools.

We are proud of what we are doing and we are going to carry on doing it. We shall continue to ensure that we put pupils and their parents at the heart of this debate. That debate cannot be about going backwards or arguing about the divisions of the past: in the end, it is the standards of the future that matter.

8.10 pm

Mr. Don Foster (Bath): First, I welcome and congratulate the new Opposition Front-Bench team. I also welcome the Secretary of State's thoughtful speech, although he was somewhat generous in his comments on the speech made by the hon. Member for Maidenhead (Mrs. May). He was absolutely right to say that most of her speech and most of the Opposition motion was concerned with going over old ground. Wordsworth put it slightly differently, writing of:

"old unhappy far-off things, and battles long ago."

I have to tell the hon. Lady that she was fighting battles of long ago and touting an ideology that has been seen to fail and has let down the children of this country for a long time.

Mr. Desmond Swayne (New Forest, West): Will the hon. Gentleman give way?

Mr. Foster: If the hon. Gentleman is about to defend that old policy, I shall be delighted to hear from him.

Mr. Swayne: Does the hon. Gentleman accept that, however old the battles may be, they are being fought because Members of Parliament such as myself are continually and constantly approached in our constituencies by head teachers expressing precisely the problems to which we are drawing attention?

Mr. Foster: I am most grateful to the hon. Gentleman for his intervention and I am sure that the House looks forward to hearing a thoughtful speech in which he tells us of the many head teachers who want to go back to how things were under the previous Administration. I shall be extremely surprised if he can seriously tell me that there are many teachers who want to return to a system that was designed to ensure nice schools for nice kids and the scrap heap for the vast majority. If he points out that there are some head teachers who are not entirely happy with everything that the Government are doing, that will not surprise me at all—indeed, I intend to express some of my concerns about Government policy. However, it would be foolish to deny that the new Government have introduced several measures that have brought about real and positive improvements in our education system.

The Liberal Democrats welcome the scrapping of nursery vouchers and the assisted places scheme, both of which added to bureaucracy and, as the Secretary of State is wont to say, gave something to the few but not the many. We welcome the recent White Paper on post-16 education: we believe that the vast majority of measures outlined therein will result in a real improvement in education for that age group. We especially welcome the statement made today by the Under-Secretary of State for Education and Employment, the hon. Member for Norwich, South (Mr. Clarke), about ways of providing additional support to children from disadvantaged areas. If the hon. Member for New Forest, West (Mr. Swayne) believes that measures such as those are not popular with head teachers, he must have been talking to an extremely select sample of head teachers.

However, in a debate such as this, it is important to draw attention to those areas of Government policy that cause us concern because they lead to a reduction in choice or in diversity. The Secretary of State has referred to the literacy hour and the numeracy hour. I was not entirely happy with the introduction of the literacy hour and I am still not satisfied on that subject. It is absolutely right for the Government to provide through their website and by other means support, advice and worked examples to teachers. However, to impose on teachers a specific way in which literacy must be taught detracts from the professional autonomy of our teachers in carrying out a task for which they have been trained. Nevertheless, I am delighted that the numeracy hour has been introduced in a way that appears to acknowledge that the literacy hour was overly prescriptive—it is important that such lessons are learned.

I hope that the Secretary of State accepts that our schools are denied choice if they are denied the funding to carry out their work. He has suggested that a lot more money is getting through to schools, but the reality on the ground is that schools are not getting that extra money—it is almost as if the cheque is still in the post. He might want to claim that that is the fault of local education authorities, as he tried to do in respect of the league tables that were published a few days ago—*[Interruption.]* The Secretary of State says from a sedentary position that I have said it for him.

The Secretary of State would be wrong to make such an accusation. There are two reasons, the first of which is that, according to the Audit Commission—whose figures I hope the right hon. Gentleman accepts—the amount of money per pupil being made available to our schools has gone down by an average of £50 since the Labour Government entered office. The additional money is not coming through. We know that education spending as a percentage of gross domestic product has declined in the first two years of the Labour Government. We also know that the share of total Government spending on education has decreased. Without sufficient money, one's choices are restricted, but by all three counts education spending has gone down, so schools' choices are increasingly restricted.

Even if I am right about the reduction in money in the first two years of the Labour Government, it should be noted that the Secretary of State said today—and it is precisely stated in the Government amendment—that there is to be an increase in funds of £19 billion. That figure is incorrect. That assertion is based not on my analysis of the Government's statement, but on the report produced by the Labour-dominated Select Committee on the Treasury.

The Government are suggesting that £16 billion of the £19 billion will come to England; but the Committee says that the true figure for the real-terms increase is only £8 billion, and that that £8 billion does not represent a significant increase on the previous Government's education spending projections. The Committee's analysis goes further and shows that it is possible that, with that £8 billion, education spending will reach 5 per cent. of GDP by 2002. That was the percentage of GDP spent on education under the previous Administration, so that is no improvement. Of course I am grateful on behalf of my constituents and those of many other hon. Members for the fact that some increase in funding is promised, but it is wrong of the Government to try to pretend that the sum is greater than it is.

This debate is not only about the school-based education system. We must recognise that the reduction in spending has been experienced in other parts of the

[Mr. Foster]

education service. It is interesting to note that, based on the Government's own figures and despite their introducing a fees system, current projections indicate that the amount of money per student in higher education is also set to fall during the first term of the Labour Government.

I am concerned that the Government are possibly denying choice in our schools in several other areas. The first relates to something of which the Secretary of State is in part rightly proud. I and my party have supported the Government's moves to try to reduce class sizes in key stage 1, but we are genuinely concerned that class sizes in other key stages are rising. They are rising in key stage 2, and in our secondary schools the averages are now at an all-time high for the past 20 years. We hope that when extolling the virtues of reduced class sizes, the Government will bear it in mind that they must start to move as rapidly as possible to put a stop to the increase in other parts of the education sector.

Another area in which the Government are denying choice relates to their target-setting agenda. It is appropriate for the Government to set targets for themselves, for individual schools, for LEAs and even for what happens in individual classrooms, but I am sure that the Secretary of State and Ministers are concerned about what the previous Prime Minister described as the long tail of underachievement. We must do something about children from less-well-off backgrounds with poorer educational provision. As I have said in the Chamber before, it is of real concern to me that no targets are being set at key stage 2 for the bottom 20 per cent. of pupils in literacy and the bottom 25 per cent. in numeracy. If there are no targets for children at the bottom end, there is nothing for them to aim at and nothing to motivate and support teachers to help that group of pupils along. I hope that the Government are prepared to reconsider their policy of not providing targets for that section of the pupil cohort.

Mr. Blizzard: Now that the hon. Gentleman has outlined a number of deficiencies, as he sees them, in our education system, would he care to say how many of them could have been put right by increasing income tax by 1p? Is he saying that his party would increase income tax by 1p to put right some of the things that he says are so wrong?

Mr. Foster: I began my speech by talking about old battles and I am sorry that the hon. Gentleman wishes to return to one. We have made it clear that we would increase income tax to increase investment in education. The hon. Gentleman surely knows that it would not require increased investment to introduce targets for pupils at key stage 2. That is a matter not of investment but of educational common sense. It is a straightforward and positive suggestion.

Another issue that does not require increased investment is early-years provision. The Government rightly want diversity of provision to involve the private sector, the voluntary sector and the maintained sector. We very definitely welcome that move. Nevertheless, we are concerned about the way in which the system has been set up. As the hon. Member for Maidenhead rightly pointed out—let us not argue about the figures—there has been a significant reduction in the number of pre-school playgroups available to participate in the partnership between the three sectors.

Solving a further problem, again without additional resources, could improve choice. The Secretary of State was perhaps somewhat unjustifiably proud of the new admissions code of practice. Some parents find themselves almost forced to put their child into a reception class to ensure that the child can get into year 1 of that primary school. When I first raised that problem with the Secretary of State, he promised to examine it. He subsequently came up with what he described as a solution. It was that a spare place could be kept in the reception class, thereby allowing the child to move in not from the reception class but from wherever else early-years provision had been made. However, that is not a realistic proposition because the tight funding regime under which schools currently operate means that no school will want to leave a place open if it will not receive funding for it. I ask the Secretary of State and the Government to look again at that choice.

In two other areas the Government could make a change of policy that would increase rather than reduce choice. The first relates to the way in which money is currently allocated. When the Government the other day accused many LEAs of holding money back at the centre and not passing it on to schools, they demonstrated a degree of hypocrisy. The Labour Government are increasing the amount of money that they are holding back at the centre and reducing the amount that they give to LEAs. The Government's own figures demonstrate that, in the first four years of a Labour Government, there will have been an increase in the Government's share of education spend from 38 to 42 per cent. and a corresponding 4 per cent. reduction in the amount that LEAs will have to spend. That is exactly what the Government accuse LEAs of doing. The Government are holding money back centrally and denying choice to the LEAs. That could be changed, as could the way in which the money that they hold back centrally is allocated.

As I am sure all hon. Members are aware, much of the money held back centrally is now allocated through a complex bureaucratic bidding system. Since the Government came to power, LEAs have made 25,000 separate bids for money. Only 9,000 have been successful. There is a one in three chance of being successful. Two thirds of the bids have required a huge amount of bureaucracy on the part of LEAs, yet some LEAs see nothing for it.

The distribution of the money is incredibly patchy. If one analyses where bids have been successful, one can find no logical pattern. They are not more successful in rural, urban, deprived or wealthy areas.

Mr. Vernon Coaker (Gedling): What the hon. Gentleman has mentioned is a real problem. Does he accept that my right hon. Friend the Secretary of State said in answer to the hon. Member for Reigate (Mr. Blunt) that he would look at the problem? Everyone accepts that there is a problem in the bidding process.

Mr. Foster: The Secretary of State made that remark, but the concerns have been drawn to his attention for a considerable time and we see no change in the procedure. I welcome the hon. Gentleman's support in pointing out that the system has to be changed. I make my remarks as a positive contribution to the debate.

In some respects, the Government have got the provision of diversity almost but not quite right. We welcome the provision of specialist schools and beacon schools. However, we do not accept that there is a need for such schools to maintain the selective system that the Government promised to get rid of before they came to power. They are now going to continue it under the guise of selection by aptitude, yet not a single Minister has yet been able to explain the difference between selection by aptitude and selection by ability. We would far prefer specialist schools to be set up in an area and open to all pupils in that area. If it is a specialist music school, all pupils in the area—whether they are from a musical background or not—could benefit from that specialism. We do not need a selective system to run alongside the selective school approach.

Mr. Richard Allan (Sheffield, Hallam): Does my hon. Friend accept that, for such schools to work, parents must be able to get their children into them, safe in the knowledge that they can fall back on the catchment schools? We still have a problem whereby if the catchment school is full with other first preferences, the kids are bumped off to a school that is perhaps many miles away.

Mr. Foster: My hon. Friend is right. He will know that in Committee we constantly argued against both the Rotherham and Greenwich judgments—another area of denial of choice for local education authorities.

In conclusion, we are in favour of choice and diversity, but we do not want the chaos and division that we had under the previous Administration. We very much hope that, under the new Labour Government, choice and diversity will not lead to centralisation and direction. At the moment, sadly, there is evidence that that is what is happening.

8.31 pm

Liz Blackman (Erewash): The bottom line in any debate on education is that parents must be in a position not to have to make a choice in terms of good-quality education for their children. Every parent wants that for their children, and it should be an expectation and a right. Clearly, that entitlement is not on offer universally, as the evidence shows. The Secretary of State referred to the shocking figures that we inherited in 1997, which showed that two out of five 11-year-olds were not reaching the expected standards of their age group. I was concerned, but not surprised, that that was not mentioned by the hon. Member for Maidenhead (Mrs. May).

In government, the Conservatives expressed concern about the need to improve standards—I acknowledge that. However, their analysis of how to raise standards was to implement a crude, market-driven mechanism—the internal market. Much was made of the exercise of choice, and some parents applied to get their children into high-performing schools, as any parent would do. The money and resources went with them.

The corollary was that there was no choice for the many. The children and parents who remained in poorer schools did so often because money was not available to ensure that they could travel to the schools that, in their perception, were performing better. Sometimes they were slow off the blocks, and did not understand the system. Sometimes the schools were full, and sometimes the children were turned down. The poorer schools were often left struggling with diminished rolls and diminished pupil funding, and they faced a multiplicity of other problems that were not necessarily all of their own making.

All of this took place against the backdrop of national underfunding, no national strategy to address poor national results and no recognition of the needs of particular communities, some of which were far more severe than others. Teacher morale was at an all-time low. Ofsted has, and had, a place. However, without the support that I have outlined, it was difficult to work effectively to improve performance. Without making education a clear priority, Ofsted was, in the past, the diagnosis, but not always the treatment.

Our clear objectives are to inspect, measure and demand, but also to support. We have set them out clearly. All sectors of education and lifelong learning have been and will be supported, and there has been recognition of our policies from Opposition Members.

The Government made a choice—in our early years—to support the early years and the infant sector, and rightly so. There is no more critical time than when children are young and at their most receptive. Early-years education in my constituency is purposeful, appropriate and thriving. All four-year-olds are guaranteed a place, and many three-year-olds have access to good-quality education.

As a teacher, I can tell the House that class size does matter, especially with little ones. There was no choice in Derbyshire when we tried to teach children in class sizes of more than 40 in many schools in my constituency. We would have welcomed a policy from the centre to supply resources and to reduce class sizes, which were truly appalling.

Erewash schools, and the children in them, have benefited enormously from reduced class sizes through the abolition of the assisted places scheme. Erewash has benefited from money for new classrooms, and for the additional teachers who were essential to accommodate those reduced class sizes, as promised. That money has been forthcoming.

Schools have been maintained and improved, and the worst are beginning to be replaced. The £5.4 billion of new deal money is beginning to help. A pleasant environment without leaking roofs and with decent classrooms is not an add-on—it is an absolutely essential part of teaching children.

We targeted areas of special need where terrible social and economic problems abound, and we proposed partnerships. The sure start programme reaches out and embraces children and their families, to support them and to create a positive attitude to learning, right from the start. Education action zones lever in not only more resources, but innovative approaches to drive up standards.

I wish to refer to the literacy hour—the most innovative of all our policies. It has been planned and supported, and the resources have been put in place. It is producing stunning results. I agree with the hon. Member for Bath (Mr. Foster) that teachers work incredibly hard and put in a lot of extra time. However, any new change as revolutionary as the literacy hour demands extra time. It demands commitment, but the results are so positive that teachers consider the effort worth while. They see that all

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the planning and preparation will pay off in the long run. The sheer hard work and grind will ease, as the programme continues to evolve.

The training and resources for numeracy hour that are coming on-stream in my constituency are extremely encouraging, as has been acknowledged. The preparations are going well and in many schools in Erewash, it is being tried out, with positive results.

Teachers in the primary sector of the national curriculum, who a few years ago struggled with innumerable folders, welcome a planned, structured timetable in which to deliver numeracy and literacy hours. The benefits are reflected not only in the children's progress in those core skills, but in a positive classroom attitude to children's learning generally.

I spent 25 years in a comprehensive school before I came to this place, and I can tell hon. Members that children have no choice whatever if they cannot read or write and if they are not numerate. They cannot access the curriculum, so it becomes irrelevant to them. They become frustrated and disaffected, they waste their time—unwittingly—and they waste teacher time, drawing teachers away from delivering learning, as they are supposed to do. Other pupils become frustrated as well.

Dr. Julian Lewis: I entirely agree with the hon. Lady's last point. Does she accept that such damage is done long before the age of 11 is reached? Will she, therefore, join me in recommending that the results of the tests that are already done at seven should be published, so that parents can put pressure on failing schools at that stage?

Liz Blackman: No, I do not agree with the hon. Gentleman, for two reasons. First, I agree that the damage is already done by that stage. That is why, when the Government came into office, they specifically targeted the early years and the infant sector. Secondly, the Secretary of State spoke about the Opposition's complaints about additional bureaucracy. Other measures are in place to support teachers and drive up standards.

There is no choice for children who cannot access the curriculum, and because they leave school with such poor core skills, there is limited choice when they move into the world of work.

Mr. Don Foster: If the hon. Lady shares my concern for the bottom 25 per cent. of pupils, does she agree that there ought to be a set of targets for those pupils in literacy and numeracy?

Liz Blackman: I agree that when teachers deliver literacy hour, they should take account of the diverse ability of their charges and the point that the children have reached in their learning, as all good teachers do. In certain elements of the literacy hour, teachers can do that.

I am not against choice or a fair admissions policy that allows choice. I am certainly not against high standards across the board, as that gives real choice. I am not against diversity. I have a beacon school and a specialist school in my constituency. Challenging and appropriate work ought to go on from early years, right the way through school, including literacy hour.

I am extremely pleased with the Government's initiative which allows an alternative curriculum for pupils over 14 if it is more appropriate for them. Some of the children in school are disaffected or unable to access the curriculum for all the reasons that we are discussing. They would be better served by a tailor-made curriculum, designed in co-operation with local colleges and other education providers.

Every school should have its own ethos, and does in my constituency, but the Government should take responsibility for determining standards. There has been a standards vacuum for the past 18 years. There ought to be central guidance, as there are many changes to be made.

A great deal of work is being demanded of teachers. A large part of the teaching profession is committed to that. Radical change cannot be introduced in any walk of life without commitment and hard work, but if the changes are worth making, it is worth asking teachers to go that extra distance to deliver the positive results that we already see speeding through. The benefits of national literacy hour and of numeracy hour as it comes on-stream will be enormous, not only for this generation, but for generations to come.

8.44 pm

Mr. David Lidington (Aylesbury): None of us, whether speaking as a Member of Parliament or as a parent, would disagree with the hon. Member for Erewash (Liz Blackman) that we should be doing all in our power to help to raise educational standards, in particular those of children who are not the most able. I agree that they have been neglected by decision makers in politics and in education for decades. However, I confess that I would have listened to her with greater sympathy had she paid due regard to the various initiatives of the Conservative Government: the introduction of independent inspection, regular testing, the publication of test results, league tables and the supply of information to parents. Ministers are now willing to take many of those initiatives on board in some form or other, even though they fought them tooth and nail from the Opposition Benches as Conservative Ministers took them through the House.

A number of colleagues hope to catch your eye, Mr. Deputy Speaker, so I shall concentrate on two issues: grammar schools and sixth forms, both of which are of particular interest to my constituents. I must take up the remarks of the hon. Member for Bath (Mr. Foster). In response to one of my hon. Friends, he referred somewhat disparagingly to what he described as nice schools for nice kids. He used that expression to caricature the approach of those of us who argue for selection in education, whether on academic abilities conventionally measured or on aptitude. I believe passionately that he is wrong to do so.

I was a governor of a north London comprehensive some years ago and I found that the way to guarantee that the so-called nice kids—the children from the well-to-do families—attended the nice schools was to confine parental choice to the neighbourhood catchment comprehensive so that selection was by parents' ability to afford a mortgage in the catchment area of the right school.

Mr. Don Foster: Although I thank the hon. Gentleman for drawing me back to the Chamber to listen to his

contribution, I fundamentally disagree with him. For every grammar school, we needed three secondary moderns; people tried to tart them up and call them something else. Surely we want to end competition between schools. We need choice within each school and all schools providing high-quality education rather than choice between schools.

Mr. Lidington: That was the dream of the champions of comprehensive education in the 1950s and 1960s, when they advocated the end of selection. The trouble was that it did not deliver the improvement in educational attainment that the advocates of the comprehensive system had argued would take place. To deliver a wide choice of subjects in a single school, people were led ineluctably to argue for the creation of large secondary schools, which entailed all the difficulties of pastoral care, schools on split sites and, in some cases, keeping order.

As the hon. Member for Bath knows, my county is the only one to retain an entirely selective secondary system and the only one to maintain, without a break, overall Conservative control of its council. I believe that the model of selection that is developing there is true to the vision of R. A. Butler and the Education Act 1944. This country went wrong when, in the old days, it looked on secondary modern schools as a dumping ground and thought that only the grammar schools mattered. Nothing could have been further from what Butler wanted to achieve.

Mr. Willis: I am grateful to the hon. Gentleman for giving way, even though he is in full flow. I cannot resist asking him a simple question: how many parents in Kent, where people are so proud of the selective system, have contacted him to say that they want their child to go to a secondary modern school?

Mr. Lidington: As I am not a Kent Member of Parliament, the question does not really arise.

I have found that certain schools in my constituency are achieving better results—as measured by public examinations—than comparable comprehensive schools in Hertfordshire and Milton Keynes. We would expect grammar schools to achieve higher standards—and they are: that has been acknowledged by the chief inspector of schools, who has singled out a number of Buckinghamshire schools, both grammar and upper, as demonstrating excellence. Even the Government have recognised the achievement of those standards: they have nominated Aylesbury high school, a selective girls' grammar school, as one of their "beacon schools".

In other schools in my constituency, children are being very well educated in conventional academic subjects and—especially in the sixth form—being educated in general national vocational qualifications. That is introducing a new enthusiasm among both students and staff.

Dr. Stoate: Does the hon. Gentleman agree that a fully selective system poses a danger? Schools that are non-selective, such as secondary modern schools, tend to involve a high level of special needs and are, therefore, greatly disadvantaged when it comes to competing. Because schools in my constituency, such as Dartford West high school for boys, have extremely high special needs levels, they receive the worst reports from the Office for Standards in Education. As a result, they are branded as special needs schools, and the county council closes them, or attempts to close them. That reduces parental choice.

Mr. Lidington: The hon. Gentleman has put his finger on a point that is by no means specific to a selective system of education. In my constituency, the problem that he mentions applies to individual schools with certain types of catchment area. The hon. Gentleman will probably agree that he would find comparable problems involving the disproportionate concentration of children with special educational needs in an all-comprehensive system, because that is the nature of a system that relies on catchment areas.

The selective system in Buckinghamshire works well. It is achieving results: my county is at or near the top of the Government's league table in regard to both A-levels and GCSEs. It is wrong for the Government to create the uncertainty that they have created with their legislation on grammar school ballots, leaving schools unsure, year by year, whether they will have to engage their energies in fighting to maintain their current status. Moreover, local education authorities must always bear in mind whether they are likely to face a huge financial and organisational upheaval.

The Labour party has gone a bit quieter—in the Chamber, if not in Buckinghamshire county council—about its opposition to selection, but I was pleased, from a constituency point of view, to hear the hon. Member for Bath restate so firmly his party's opposition in principle to selection in education. That is something that Liberal Democrat councillors in Buckinghamshire tend to keep mum about at every opportunity.

It is nice to hear, from time to time, the honesty of the hon. Member for Harrogate and Knaresborough (Mr. Willis). I suppose that, by analogy, he must imply something less than honesty on the part of Liberal Democrats councillors in my local education authority.

Mr. Hilary Benn (Leeds, Central): Will the hon. Gentleman give way?

Mr. Lidington: I will give way briefly.

Mr. Benn: I thank the hon. Gentleman.

If comprehensive reform has been such a failure—and that seems to fly in the face of the evidence of a rise in educational attainments and achievements since its introduction—will the hon. Gentleman explain why there is absolutely no evidence that parents wish to return to a widespread system of selection? Does he accept that, as the hon. Member for Harrogate and Knaresborough (Mr. Willis) suggested, no parents want their children to attend secondary modern schools?

Mr. Lidington: The evidence with which I am most familiar—from my own constituency, where a selective system has been maintained consistently—shows that there is considerable public support, as demonstrated in local election results, for a selective system. The approach in areas that have opted for a comprehensive system should be to develop the initiatives of the previous

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Government, by allowing greater specialisation, in specific subjects, in individual comprehensive schools within a local education authority area.

Sixth forms were one of the subjects dealt with in the Government's recent White Paper. I should, at the outset, say that I think that the idea of encouraging co-operation between local education authority schools and colleges is sensible, and that, equally, I fully support the Government's announced emphasis on trying to raise the standards of those who are not the highest fliers academically.

One of my fears—I hope that, in his reply, the Minister will allay some of them—is that the Government have a hidden agenda. Despite the assurances that the Secretary of State gave in his statement, the current edition of *The Times Educational Supplement* remarks that only

"A last-minute intervention by the Prime Minister . . . saved small sixth forms from abolition",

that

"The original plans for this week's White Paper on post-16 reforms intended that sixth forms and colleges should be given equal funding",

and that that

"change would have left small sixth forms vulnerable."

The article goes on to say that the Prime Minister

"called for changes"—

not out of principle, but—

"because any perceived attack on sixth forms would lose votes in Middle England."

I have several fears about the Government's options for the future of sixth forms. It is proposed that, at the very least, local education authorities should be subject to departmental guidance on how they plan and manage post-16 education. One of the options is that, rather than local education authorities being funded by revenue support grant, they should be funded by the new learning and skills councils.

One fear is that the Government are in danger of throwing the baby out with the bath water. The Government have promised to maintain sixth form funding at current levels in real terms, but they have already said that they will not provide extra money to school sixth forms to cope with the proposed new A-level curriculum. I wonder whether Ministers have a similar plan to cap sixth form grant or expenditure in subsequent Department for Education and Employment initiatives.

Mr. Blizzard: Will the hon. Gentleman give way?

Mr. Lidington: If the hon. Gentleman will forgive me, I shall not, as other hon. Members wish to speak.

There is a risk of a top-down system that relies not on the preference expressed by students or their parents, but on the decisions of central planners on a regional committee.

What will happen to capital expenditure decisions? Who will take them? I am very interested in the answer to that question, as the population of Aylesbury—and of mid-Buckinghamshire generally—is growing fast and, at some point in the not-too-distant future, my constituency may need another secondary school. Under the Government's new proposals, how would a decision on accommodation for post-16 education be taken?

Do the Government have a view on the minimum size of a viable sixth form? In the previous Parliament, when I was on the Education Select Committee, one expert witness said that 250 was the bare minimum.

Mr. Don Foster: Three in a primary school.

Mr. Lidington: Am I am being bid up to 300 by Liberal Democrat Members?

A minimum limit of 250 would have very serious implications, particularly for sixth forms and for secondary schools in rural areas. I hope that the Government, in future plans, will take account of the fact that many parents prefer school sixth forms to colleges—because of the pastoral care that they can provide, and their ability to offer minority subjects, such as classics, and opportunities in music, drama and sport, which many employers think help to provide a rounded candidate, with the right core skills, when it comes to selecting an applicant for a job. Such concerns have been expressed to me by education managers and teachers, and I hope that the Minister will respond to them.

9 pm

Mr. Malcolm Wicks (Croydon, North): I welcome the debate on choice and diversity. Soon we shall approach the end of the century, our first of full democracy and citizenship. Universal suffrage came for the first time, and this century enjoyed the advent of the welfare state and the national health service. The provision of state education also arrived for primary school children and, with the Education Act 1944, for secondary school children, too. It is interesting to note how recently state secondary education arrived.

We ought to try to relate two sets of themes. Equality and fairness sometimes seem to conflict with diversity and choice, but they need not. The new agenda facing education is how we relate those two themes to each other. The advent of state education for every child brought the principle of equality into practice. Each and every child was important and deserved good state education. The left and right of British politics may have talked differently about equality, focusing on equality of opportunity or some more fundamental form of equality, but all of us agreed on the goal of equal provision for every child.

It is useful to review the results of our first century of citizenship and democracy. I do not have the time to do a full audit, but there have been successes and failures. Numeracy and literacy have risen and more of our children have been able to achieve good GCSEs and A-levels. It is fantastic that about a third of our children will go to university. One day it will be 40 per cent., and perhaps one day 50 per cent. That is a remarkable success story.

However, the success is blended with some failure. Gross inequalities have continued in our society in education and in many other matters. It is a sorry fact that knowing which house or estate a child came from, or knowing his or her postcode or his or her parents' occupations, allowed us to make a good—though not always accurate; there are many exceptions—stab at

predicting that child's educational outcome. We could also predict the child's broader life chances in health and in many other areas.

The annual report of the Universities and Colleges Admission Service shows that only 10 per cent. of university entrants came from social classes 4 and 5, although those classes represent nearly a quarter of the population. That is a gross inequality. The youth cohort study shows that by 1996, eight out of 10 state school pupils from professional families gained at least five good GCSEs, while only a fifth of children from households in which no one was in paid employment achieved the same. Despite our successes, which I applaud, at the end of our first century of state education, the system still mirrors inequalities rather than breaking them down.

Equality and fairness are among the great themes of our century; diversity and choice provide the other important strand. The 1944 Act had its own agenda on diversity and choice. Although it brought in secondary schools, it also brought in grammar schools, technical schools that never developed in any great quantity, and secondary modern schools. Later, Labour Governments in particular pushed comprehensive schools and we got into the debate about the comprehensive school versus the grammar school. I agree with the hon. Member for Bath (Mr. Foster) that that debate has become rather old-fashioned. Equality and diversity appear to have been in conflict in the public and private sectors.

Although many working-class children go to grammar schools, there is still an equation between socio-economic background and access to grammar school. I was struck by the evidence printed in *Hansard* on 20 May that used free school meals as an indicator of socio-economic disadvantage. It tells us how many children at grammar schools receive free school meals and compares that figure with the number of children in the relevant local education authorities who were receiving free school meals. In Barnet, 16 per cent. of children attending secondary schools receive free school meals, compared with 1.4 per cent. of those attending grammar schools. In Bromley, 14 per cent. of children receive free school meals, compared with 1.2 per cent. of children at grammar schools. In Birmingham, 34 per cent. of children receive free school meals, compared with only 5 per cent. of children at grammar schools. In Liverpool, 39 per cent. of all secondary school children receive free school meals, compared with just 6 per cent. of children at grammar schools. In Buckinghamshire, which is a pretty wealthy county, 7 per cent. of children receive free school meals compared with just 1.6 per cent. of those at grammar schools. The point is proven.

Some of my right hon. and hon. Friends ask those who support grammar schools to say more about the children who never get to grammar school—in other words, most children. We have to recognise the skew in terms of socio-economic background. It is not surprising, but it is worth emphasising.

Let me change gear now and say that the Select Committee on Education and Employment, which I have the honour to chair, is interested in these themes. We are about to undertake an inquiry into the relationship between public and private education. Owing to the involvement of the private sector in education action zones and other developments in which—perfectly properly, in my view—the Government are trying to bridge the gap between public and private education, we feel it appropriate and timely that the Select Committee should undertake an inquiry into the role of private companies in the management and supply of state education services. We take our first evidence on 10 July and I hope that our report will be of interest to the whole House.

Another illustration of the need for diversity and choice is the necessity to pay more attention to highly able children. The Government prefer the term "gifted" children. I am not worried about the terminology, but we are all concerned—as was the Select Committee when we published our report—by the fact that most schools neglect highly able children. To put it rather graphically, a number of potential Nobel prize winners are sitting in our schools rather sulkily, bored out of their minds because they are not being stretched. That is partly because schools are often more concerned with helping children who are struggling and with average standards.

We neglect the highly able child at our peril, however. The Select Committee made the strong recommendation that every primary and secondary school should have a senior member of staff as a co-ordinator, looking out for the highly able boy or girl.

I said at the beginning that this was the end of the first century of democracy and citizenship in our society. In the education agenda, we find ourselves hovering rather anxiously between three centuries. I do not think that anyone would have predicted in 1944, or at the beginning of this century, that two of the major concerns of Parliament and Government at the end of the 20th century would be literacy and numeracy.

That was the agenda in the 19th century, when primary education was introduced, yet here we are—perfectly properly, because too many children do not get to grips with reading, writing and arithmetic—introducing literacy hours and numeracy strategies. There is something sad and ironic about the fact that we are tackling a 19th century problem when we are trying to summon up the energy to enter the 21st century. The 21st century education agenda should be about creativity and new technology unleashing all sorts of benefits for our young people.

How are we to relate the two important themes of equality and fairness, and diversity and choice? Parents and children want choices. What policies and practices will enable us not to take sides but to pursue the two themes together? That is the challenge in education today.

9.11 pm

Mr. Christopher Fraser (Mid-Dorset and North Poole): Education is rightly put at the heart of the political debate. It affects everything, from the nation's competitiveness, skills and employment to the social conditions of our society. I cannot put it better than the headmistress of Parkstone grammar school in my constituency, in a recent letter:

"Education is the single most effective route out of poverty."

The Secretary of State said that he wanted to talk about the many, not the few. I want to do the same: the whole issue of diversity and choice is about the many, not the few, as Conservative Members have said. There are 39 schools in my constituency. Above all, we have choice. There are seven secondary schools and active sixth forms, with two grammar schools, Parkstone and Poole. Many of our schools feature regularly at the top of

[Mr. Christopher Fraser]

the league tables. For good measure, we have one independent school. Four of the seven secondary schools are grant maintained.

In my election pledge, I stated that

"we owe it to our younger generation to give them the best start in life to succeed in a competitive world.

There must be choice and opportunity for all abilities so that we can all be members of a skilled and prosperous workforce, embracing the technological revolution."

Two and a half years later, I stand by those words; but can the Government claim to have stuck to their words and pledged intentions?

The 1997 Labour manifesto stated:

"Labour will never force the abolition of good schools whether in the private sector or the state sector".

I believe that the Government's plans for grammar schools renege on that pledge. The plan to allow the fate of grammar schools to be decided through a ballot of parents from feeder schools is a centralist plan imposed on a local community.

The question is not balanced, as in some schools parents will not be able to vote, yet parents with children at feeder schools, who may not want to send their children to the grammar school, will have the final say on the future of other people's children. The proposals will alter who has a say on the issue, and are thus unfair: after all, if one asks a loaded question, one tends to get a loaded answer.

Above all, this country needs choice in education. The right to decide is imperative for a parent. Every child is different and parents know best what is right for their child. Not all children are academic, and vocational skills must be taken into consideration. Taking away choice and diversity limits the opportunities that will best suit the child.

The whole community should decide the fate of a school. A constituent wrote to me recently:

"Why do we need a ballot, (surely a good school will thrive and a bad school will wither.) If there are 5 people chasing every place at a grammar school—the choice has been made, the school should be kept."

We also have excellent non-selective or grant-maintained schools in my constituency which produce superb results and are equally popular, and which have equal standing in the eyes of the community and of parents, who have a valid role to play in the diversity and choice in the education that they have chosen for their children.

If a school's status or the choice available to parents is changed, repercussions will inevitably be felt in an area's whole education system and in the pattern and structure of admission numbers. However, the cost of the exercise could easily render it a wasted effort when it comes to raising pupil achievement.

Mr. Alex Clark, the headmaster of Poole grammar school, told me:

"If the Government genuinely believes in the overriding priority to address standards and not structure, why does it not at least postpone the issue of grammar school ballots by three or four years? This will allow the maximum effort to meet the required standards by 2002. In that time they may . . . come to realise the very important dimension to education provided by grammar schools."

The irony is that certain members of the Labour party have, in the past, exercised choice for their own children. There is nothing wrong with that, but the drawbridge is being pulled up after them to prevent other parents having the same choices and opportunities.

I turn now to the Liberal Democrats in my constituency. Unfortunately, they run Poole council for the time being. However, East Dorset and Purbeck councils have been Tory since May, so there at least we can express an opinion about education. Sadly, the Liberal Democrats still run Dorset county council. If they remain in power, they will have the choice to pursue their agenda, but parents will not have a choice.

The Liberal Democrats have made what they think about grammar schools clear. During proceedings on the School Standards and Framework Bill, the hon. Member for Harrogate and Knaresborough (Mr. Willis) said:

"We make it clear that we are opposed to grammar schools and selection, partial or otherwise."—[*Official Report, Standing Committee A*, 24 February 1998; c. 616.]

The Liberal Democrats say that they are opposed to ballots as well, so what will people in my constituency do when the time comes for the two grammar schools to be subject to a local ballot, as will happen? The position of parents will not be represented fairly. Given that the Liberal Democrats on the council are not in favour of a ballot and they do not agree with selection in schools, the parents will be on a hiding to nothing.

Mr. Don Foster: Will the hon. Gentleman give way?

Mr. Fraser: No, as I promised to keep my remarks brief.

I am afraid that my constituents whose children attend those grammar schools will be sorely misrepresented by the present council.

Regulations stifle diversity. The increase in bureaucracy has involved 322 new directives in the two years since the Labour Government took office. The fine words about cutting red tape and raising standards have evaporated into a thick fog of regulation that has had an adverse impact on schools.

I visit a lot of schools in my constituency, and have got to know the head teachers. They have made it clear that increased bureaucracy could seriously damage children's education, rather than improve it. Head teachers repeatedly tell me of the frustration they feel. The ever increasing amount of regulation and change comes at the expense of work at the chalk face. After two years of the Government's management of the education system, teachers have come to realise that the real agenda is to control the country's 25,000 schools directly from Whitehall, and to stifle all local initiative.

Another constituent wrote to me last week, as follows:

"Although the Government has repeated the mantra of 'standards not structures', the barrage of initiatives which has been launched this year by the Government seems to have left the central theme of pupil achievement by the wayside."

In my speech, I have used real quotations from constituents. They are concerned about education: it is their children who must use the schools in my area. I want the Government to tackle the genuine anxieties that they have expressed. The Government have dismantled the framework and management of grant-maintained schools, and the preoccupation with staffing and financing that has been unleashed is very often to the detriment of children.

Schools in the new unitary authority of Poole must also deal with reassessing their needs and sorting out what happened under the old local education authority. The relationship with the LEA has naturally overlapped with what is being undertaken now.

The process has not been easy. Schools must now deal with the Government's new fair funding system, but they are coping. However, Dorset has lots of rural areas, and schools in the rural part of my constituency are not being treated so well. Mr. Stuart Clarke, a head teacher there, has written to me on the subject. He is the head not of a grammar school, but of a comprehensive school—Lytchett Minster upper school. He voiced his concerns when he told me that

"rural schools such as mine which attract neither urban nor rural priority . . . are located in an authority which delegates funds at a lower rate than most other authorities."

He said that such schools

"find themselves in a funding vacuum that prevents them from forging ahead with new initiatives. The Government is also determined to ignore them."

In Dorset and the borough of Poole, we have a problem with lack of funding; it is an issue. Despite that, the range of schools in my constituency do well, as they are well-managed and offer not only excellent academic standards but a true choice that reflects the diversity of the community that they serve. I would like that to continue.

9.20 pm

Mr. Vernon Coaker (Gedling): At its heart, the Conservative motion supports not a diverse but a divisive education system, the aim of which is to increase selection, to protect GM schools and to make the post-16 debate into a campaign to save sixth forms—a choice for a few, but not the many. That may be the real world in a small part of the country, but that agenda bears no relationship to the country as a whole—a country which, under the previous Government, saw unbridled competition leading to sink schools, large classes, schools in disrepair and poor standards. As many hon. Members have said, there were appalling levels of numeracy and literacy, which effectively debarred any child from achieving anything. There were real-term cuts in school funding.

The new Labour Government have set about modernising the education system, based on the comprehensive principle and social inclusion. That will mean real choice and diversity. We have new money for books and buildings, numeracy and literacy strategies, class size initiatives, increases in the standards fund, and money to improve pay for teachers.

May I tell the Secretary of State for Education and Employment and the Minister for School Standards why I am proud of the new Labour Government? We want excellence, academic success and achievement, but we want it for every child. That is why so much of what the Government are doing in education links with their other social policies. If we want to tackle under-achievement across the board, we will have to tackle the problems of social exclusion and social failure and the context in which schools operate and work.

That is why sure start is so important, starting when children are at an early age alongside nursery education. That is why the new deal for communities and excellence in cities, education action zones, health action zones and the Crime and Disorder Act 1998 are so important. All those things will be crucial if we want to tackle the under-achievement that is endemic in half our schools.

The new educational maintenance allowance is crucial, but if we could extend it to all pupils, it would help more to go into further education. Relaxation of the key stage 4 curriculum is important, too. It gives the vocational element to 14 and 16-year-olds where they become particularly disaffected. They have something more tangible to be at school for. The post-16 White Paper, protecting sixth forms but looking to extend and to expand opportunity for all, is another important move. That is real choice, real diversity, a celebration of success, while meeting head on the challenge in the most difficult areas.

I go on to a pet theme of mine. If we really want to do something to improve achievement in our secondary schools, we will have to look at the curriculum in terms of 14 to 19. We will have to get some of our people to stay on at 16 if we hope to get them into higher education.

The Tories seem to want to protect only the privilege of a few, but we seek to extend opportunity for the many. So much will depend on the joined-up nature of all that.

On teachers, of course, the contract needs modernising. I say to many of my friends in the teaching profession: for years, the cry was that a teacher could get promoted only out of the classroom—they had to take a management responsibility to get promoted. Under the new contract, they can get promoted for being a good teacher and then stay in the classroom. That will do much to improve standards. Alongside that, it is important that we do not set a quota on the number of teachers who can cross the threshold. If they are good enough, they should be paid and allowed to pass through.

One legitimate concern, which I know the Minister shares, is the work load. We need to take account of the fact that teachers are telling us that they are finding it difficult. If we can continue our efforts to find ways to reduce bureaucracy, it would be helpful. We need to keep talking and negotiating to achieve a just outcome. I met some head teachers in Nottinghamshire on Friday. The work load was the issue to which they drew my attention—it was more important to them than pay and many of the other issues that are often raised.

This Government will go down in history as one of the truly radical Governments—a Government who have sought to deal with the social context in which schools operate, as well as the operation of schools themselves. If we want to raise achievement, it is essential that we realise that schools cannot continue to operate as social hospitals, with teachers being asked to deal with almost every social problem that can arise. Of course, teachers and schools have a responsibility and duty to do something about the problems that come to them, but schools need the support of the community around them. They need the other policies that we have mentioned if they are to achieve their goal of raising standards.

The Tory objective is simple. People often say that there are no differences between the Labour and Conservative parties—it has been said to me. In all honesty, people who read the *Hansard* of this debate will see clear water between us, and I am proud of that. In essence, the Tory party today is standing for more selection, the protection of grammar and grant-maintained schools, and the protection of an education system that is

[Mr. Vernon Coaker]

rooted in the past. That policy would allow some schools and pupils to achieve, but it would not give opportunity to all children.

I congratulate my hon. Friend the Minister on being part of a team that has recognised that, if we are to achieve what we want in our schools, we need to tackle social exclusion and to ensure that all pupils have the opportunities to which they are entitled. We need to ensure that all schools succeed and that none are written off, as they have been in recent years.

9.27 pm

Mr. Cynog Dafis (Ceredigion): I will be as quick as possible. I want to make a brief contribution about the need to apply the principle of choice and diversity in Wales. I would argue that diversity ought to apply territorially, especially at this time, and not specifically in relation to the Government's proposals for the teaching profession.

That subject was recently debated in the National Assembly for Wales, of which I am proud to be a Member. I spoke in that debate to a Plaid Cymru motion that rejected the notion of payment by results and called for an alternative approach to be developed in Wales. During that debate, it became evident that a clear majority in the Assembly were in favour of the Plaid Cymru motion. The motion that we tabled certainly reflects the majority view in Wales as a whole.

As was said in that debate, Plaid Cymru accepts that the system of teacher remuneration and professional advancement needs reform. I agree with the hon. Member for Gedling (Mr. Coaker) about that. It is important that teachers should be rewarded for remaining in the class room and for being good teachers—I agree 100 per cent., speaking as a former teacher who never left the classroom for a management position. For that to happen, it would require an evaluation of teacher's performance—their expertise, commitment and professional development.

We are not arguing at this stage—we would not want to close off options for the future—for a separate pay bargaining structure for Wales, or for disparities in pay levels. However, we are arguing that Wales must be allowed to identify and apply criteria and processes for professional advancement and higher pay that might be different from those to be implemented in England. To make it clear, one element that we find totally unacceptable in the Government's proposals is the link between teachers' remuneration and pupil performance—or outcomes. That is certain to lead to injustice and to undermine teamwork. I am sure that many in this Chamber would agree with that.

We also reject the notion of linking teachers' eligibility for annual increments to the process of annual appraisal, as is stated in the technical notes that were published in both England and Wales. That would be intensely bureaucratic and time consuming and undermine the useful role of the annual appraisal when it is used well in schools. That process is based on trust. It is about identifying teachers' strengths and weaknesses, about teachers confessing, as it were, to their weaknesses, and about identifying means by which strengths may be developed and weaknesses corrected.

However, I do not want to get into detailed consideration of the merits and demerits of the Government's proposals, which are, by the way, just about identical for England and Wales, even though we have had a separate Green Paper. I emphasise that it would be entirely unacceptable if Wales, especially now that it has its own National Assembly, were forced to swallow the Government's nasty medicine in order, according to the Government, to make us better.

The suggestion has been made—it was made just before the election by the Under-Secretary of State for Wales, the hon. Member for Neath (Mr. Hain)—that, unless we in Wales agree to implement the Government's package in total, including payment by results, resources to improve teachers' pay will not be made available. That is totally outrageous. If it were applied, it would arouse fury in Wales and would be very damaging to the Government party in Wales, which has already suffered some damage, although there may be more to come.

In the debate in the Assembly, our group showed that it was prepared to be flexible. We did not oppose the amendment tabled by the Government of Wales, which was weaker than our motion. We suggested inserting the adjective "crude" before the sentence on links between pay and results. Ironically, both the Tories and the Liberal Democrats in the Assembly voted against the Government amendment, whereas we abstained.

We were flexible on the understanding that the relevant Assembly Committee and its Cabinet would develop an alternative set of proposals, based on a Welsh consensus, that addresses the needs of Wales, and that the Assembly would be able to implement such a set of proposals. It should be clearly understood that, if that does not happen, and if the Assembly Cabinet merely develops proposals that simply toe the United Kingdom Government line, the Assembly can and will defeat the proposals.

In this debate, I merely wanted courteously to ask the Government to ensure that the Assembly be given the flexibility—freedom is the right word, I think—to do what it regards as best for teaching and learning in Wales. That is no more or no less than we deserve.

9.34 pm

Mr. James Clappison (Hertsmere): This has been an important and valuable debate, which has highlighted the way in which the Government's policies are curtailing choice and opportunity in education. My hon. Friend the Member for Maidenhead (Mrs. May) began the debate with a powerful speech, in which she described the damage that the Government have caused, and are threatening to cause, not least to pre-school provision, rural primary schools, sixth forms, grant-maintained schools and grammar schools.

My hon. Friends have made some excellent speeches. My hon. Friend the Member for Aylesbury (Mr. Lidington) made a very thoughtful speech, outlining the threats posed to Buckinghamshire educational system and to sixth forms in his constituency. He made some thoughtful points about the unconvincing assurance given by the Government on future funding of sixth forms and the possible problems in coping with future demands on them.

My hon. Friend the Member for Mid-Dorset and North Poole (Mr. Fraser) touched on some important issues for his constituency and its two grammar schools. My hon. Friends the Members for New Forest, East (Dr. Lewis) and for New Forest, West (Mr. Swayne) have been listening attentively, and I know from previous debates,

including an Adjournment debate last week, that they are very concerned about the threat to local grant-maintained schools and their funding.

It is always a great pleasure to hear from the hon. Member for Bath (Mr. Foster). The theme of his speech was moving on. Thinking back to our debates on the Education Bill in 1993, when the hon. Gentleman spoke at length, I found it hard to identify how he had moved on. He was still saying that the Government were not spending enough and the Liberal Democrats would spend more. I listened for long enough and eventually we heard about the magic penny as well. I agreed with the hon. Gentleman on targets for the lowest 20 or 25 per cent. Without going into the overall merits of target setting, we need to have high expectations for all our pupils, including the lowest 20 or 25 per cent.

After praising the Government, the hon. Gentleman then attacked them on their education funding record, pointing out that the Audit Commission had said that funding per pupil had gone down under this Government. It is difficult to know what the Liberal Democrats found to praise after the hon. Gentleman attacked the central pillar of the Secretary of State's case.

I also listened with interest to the speech of the hon. Member for Croydon, North (Mr. Wicks). I did not agree with all of it, but he made an important point about the need to increase the number of children from lower income families who go on to university. I am sure that the hon. Gentleman agrees that we must look with concern at the effects that the Government's package on tuition fees and maintenance grants has on the number of children from those backgrounds who have the opportunity to go on to higher education.

I am afraid that I do not have sufficient time to mention all the contributions from Labour Members. Suffice it to say that I think that there was a narrow majority of those who had the benefit of a grammar school education over those who with the benefit of a public school education.

The Secretary of State also took as his theme the need to move on. On grammar schools and grant-maintained schools, the Government have moved on most from the promises that they made before and immediately after the general election. We heard this afternoon about the promises that the Prime Minister gave to the voters of Wirral, South in 1997 that parents there need not worry about a Labour Government doing away with their grammar schools. Barely a month before the general election, he promised in *The Times Educational Supplement* that "grant-maintained schools will prosper". In her analysis of the funding position of grant-maintained schools and her long list of schools throughout the country that have had difficulties, my hon. Friend the Member for Maidenhead gave the lie to that.

After the general election, we were told by the then Minister for School Standards that the Government's aim was to level up, not level down. He told the Standing Committee considering the School Standards and Framework Bill:

"We have said that our objective is not to cut the amount being spent on pupils in GM schools, but to increase the funding for pupils in other schools. We are therefore levelling up."—[*Official Report, Standing Committee A*, 12 February 1998; c. 461.]

If that was the Government's objective, they have failed. Nobody has admitted that more clearly than the Secretary of State, who said that there was a need to introduce cash protection and transitional funding for grant-maintained schools to protect them from the budget shortfalls that they have experienced.

My hon. Friend the Member for Maidenhead cited grant-maintained schools throughout the country that have experienced serious difficulties because of budget deficits, causing great problems for the education of their children. My hon. Friend could have added to that list schools in my constituency, including Wroxham school, which I visited this morning. The Secretary of State spoke of moving on, but all that have moved on from Wroxham school are classroom assistants and learning support assistants, who have been forced to do so by the school's £30,000 deficit.

Miss Melanie Johnson: Will the hon. Gentleman give way?

Mr. Clappison: Yes. Perhaps the hon. Lady will tell us about the difficulties experienced by schools in her constituency.

Miss Johnson: I want to ask the hon. Gentleman the question that I asked the hon. Member for Maidenhead (Mrs. May) earlier. Does he support the present Tory leader of our county council, who proposes not to send an extra 6 per cent. of funding to schools next year? Those schools include ones in the hon. Gentleman's constituency and mine, which will have to make cuts as a result of the failure to send on the extra money that the Government are spending on education, or that they would spend if Tory-run councils would let them.

Mr. Clappison: The hon. Lady knows that the budget for Hertfordshire was set by the so-called administration group, which was Liberal-Labour controlled. The Secretary of State had to write to that group to complain about the amount of money that it was withholding from schools.

Schools have suffered up and down the country. The Secretary of State prayed in aid the words of Mr. Bob Lloyd of the grant-maintained schools joint monitoring group. That is the same Mr. Lloyd who provided us with an analysis of the position this year, rather than next year, which the Secretary of State was talking about. Mr. Lloyd describes the present position in grant-maintained schools and the practical consequences of the Government's policies. The average grant-maintained secondary school on cash protection—two thirds of them are on cash protection—is £96,000 worse off, which equates to approximately four teaching posts. Grant-maintained primary schools are, on average, £22,000 worse off, which equates to one teaching post.

Wroxham school in my constituency is aware of the Secretary of State's announcement about next year, and it is hardly dancing with glee about his alleged generosity in providing the school with barely enough of an increase to match inflation, when the school is already suffering a serious deficit in its budget and the classroom and learning support assistants have already gone. That is the overall picture for grant-maintained schools and, if that is prosperity, goodness save us from this Government and their idea of prosperity.

[Mr. Clappison]

The Prime Minister has clearly moved on from his promises about grammar schools made before the election. He said:

"The reason why I don't say it's part of the Government's policy to get rid of all grammar schools is that I think if a school's doing a good job, then you don't want to get rid of that school."

Having listened to this debate and heard speaker after speaker express hostility to grammar schools, I know that the Prime Minister's sentiment is not shared by the vast majority of his Back-Bench colleagues or, apparently, by many Labour activists.

Dr. George Turner: Will the hon. Gentleman give way?

Mr. Clappison: No. [HON. MEMBERS: "What about ballots?"] Hon. Members mention ballots. The Prime Minister told us today that there was no need to worry because there had been no ballots and there was no need for scaremongering. In fact, ballots cannot be held until September. The Department for Education and Employment has received inquiries from campaigners against grammar schools, many of whom are Labour party activists, about petitions to get rid of grammar schools. The Minister will be aware of newspaper reports about Labour activists throughout the country using Labour party offices, presumably with the blessing of some of the MPs who have spoken this evening, for their campaign to get rid of grammar schools.

I agreed with the remarks of my hon. Friend the Member for Aylesbury. What do those activists think will be the effect on children and teachers in those schools of the prospect of upheaval of months and months of campaigning? Nothing could be more calculated to damage the provision of education in those schools.

What will be the consequence in the long run? *[Interruption.]* Hon. Members do not want to know, but let me remind them of the likely consequences of the upheavals that they propose. Eric Hammond, former union boss and governor of Gravesend grammar school, who is battling to keep selection in Kent's grammar schools, said:

"I wouldn't like to see selection by merit replaced by selection by purse."

That is one of the possible outcomes.

The hon. Member for Croydon, North talked about free school meals and gave us a sociological analysis. There could be no clearer division than the one that we face if those activists have their way because, if those schools become independent, the only people who will go to them are those who can afford to pay full fees. The Government are delivering educational opportunity for the few at the expense of educational opportunity for the many, as Labour Members might say.

When one looks at the picture and sees what the Government have done to take away opportunities, by abolishing the assisted places—*[Interruption.]*

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. I appeal to hon. Members to calm down and listen to the hon. Gentleman. I also appeal to the hon. Gentleman to calm down.

Mr. Clappison: Labour Members are displaying the vigour with which they wish to abolish grammar schools. That is how the Government pursue their ends—often by stealth, but always with vigour, but so that the Prime Minister can hold up his hands, say, "Not me, guv—it's all scaremongering," and give bland reassurances about the future. Meanwhile, his Back Benchers and his party outside Parliament work and campaign to undermine the promises he solemnly made to voters before the last general election.

When I look at what the Government have done to take away opportunity, especially from those who are less well-off, by abolishing assisted places and attacking grant-maintained schools and grammar schools, I have to ask, what is it that the Labour party has against the less well-off that it wants to take educational opportunities from them at every turn? This debate has highlighted the real threat that the Labour Government pose to choice, opportunity and diversity, with their almost Cromwellian determination to sweep across the country attacking any adornment or centre of excellence in the state education system.

I invite Ministers and Labour Back Benchers to think about the damage that they are doing to schools, the uncertainty that they are causing and the teachers and classroom assistants who might have to be made redundant. The Secretary of State boasted that the Government are making a difference, but, for all too many children in our schools, that difference is that they will receive an inferior education because of the Labour Government's policies.

9.47 pm

The Minister for School Standards (Ms Estelle Morris): I congratulate the hon. Member for Hertsmere (Mr. Clappison) on his appointment to the Opposition Front Bench. In the past two years, there appears to have been rapid turnover in the shadow Education and Employment team. I think that this is the third team we have faced; let us hope, for their sake, that they do better than the previous two.

It would appear that one of the qualifications for appointment to the Opposition Front Bench is selective amnesia extending back over the 18 years of Tory rule. In his first speech as an education spokesman, the hon. Gentleman spent nigh on 15 minutes talking about two subjects, and two subjects only: grammar schools and grant-maintained schools. From their speeches today, I gather that the great thing that the Conservatives achieved during 18 years in office—the thing that they most want to defend, the thing that they most mind losing and the thing that, to them, encapsulates diversity—is their policy on grammar schools and grant-maintained schools. Let us see what they achieved with that policy.

The result of the Conservatives' policy on grammar schools was not a grammar school in every town or an expansion of grammar schools, but a steady contraction of grammar schools as the Tory years rolled on. When they left office, they left 160 grammar schools, compared with thousands when they took office in the 1970s. If grant-maintained schools were the second strand of their diverse education system, it amounted to only 1,000 schools. So what the Tories are celebrating today is having left a system that was meant to be diverse and was made up of two elements—160 grammar schools and 1,000 grant-maintained schools. All that after 18 years! If that is what the Tories come to the House today and talk

about with pride, with not one word about the 23,000 other schools that make up the English education system, it is not surprising that they lost the last election with such great force.

The Conservative Government fiddled with creating 1,000 grant-maintained schools and thought that that would solve the nation's problems, but they left the nation not an education system rich in diversity but one in which four out of 10 11-year-olds could not read and write properly; in which more than half of 16-year-olds could not achieve five or more higher grade GCSEs; in which 2.3 per cent. of schools were failing; and in which one in 10 schools had serious weaknesses and a third were not as good as they should have been. They left a £4 billion backlog of repairs and an expensive and wasteful nursery voucher scheme. They put a standstill on the expansion in higher education numbers. Schools had to cope with reduced budgets year after year under the Tory Government.

There was no system for dealing with failing LEAs. The Conservative Government had no levers to raise standards. That was what their vision of diversity brought about. That was what Tory diversity and choice was all about—a system that let down too many of the nation's children.

Mrs. May: The Minister has just said that there were no levers for raising standards under the previous Government. Does she accept that we introduced tests and the Office for Standards in Education? The Government are able to talk about standards in schools only because we introduced a rigorous inspection regime that publishes accountable statistics about the standards in schools.

Ms Morris: The hon. Lady talks about that, but the truth is that the Tory Government only did half the job. Tests and inspection reports reveal the problem. The real levers for raising standards are the action taken when the problems have been identified. In cases where inspection has revealed that a school is failing, we now have clear targets for improvement and options for action if it is not made. Where performance tables show a shortfall in the performance of schools, we have targets for improvement. There is monitoring, support, pressure and action where targets are not reached. Those are the levers for raising standards that are needed. It is not a case of letting someone else find the information and turning one's back on it. The Government must accept responsibility to use the levers for raising standards.

Mr. Clifton-Brown: Will the hon. Lady tell the House how she and her party voted on the introduction of Ofsted and the inspection of schools?

Ms Morris: I was not a Member of the House at that time so I did not cast a vote. The Labour party did not vote against Ofsted.

My hon. Friend the Member for Croydon, North (Mr. Wicks) was right when he said that as we approach the millennium the challenge for the educational system is that which it has never been before. The hon. Member for Bath (Mr. Foster) also intimated that. The challenge is not about raising standards for a few or sectioning off certain schools and giving them more funding. It is about raising standards for all children and making sure that every youngster who leaves school does so with the basic skills, committed to lifelong learning and with the attitudes that will serve them well in adult life. That is the sort of choice and diversity that we have been acting on in the past two years. That is why we turned our back on the old, sterile arguments that were for the last century, not the next. That is why we have taken action to double the number of three-year-olds in nursery places and guarantee a place for all four-year-olds. We have introduced a sure start programme with £450 million. We have made sure that in 18 months' time there will be no five, six or seven-year-old in a class of more than 30.

We have put money into measures to reduce exclusion. We have made sure that every teacher will be trained to use information and communications technology, that every school will be connected to the national grid for learning and that we shall have a teaching force and school system that is kitted up to do the best that it can to meet the challenges of ICT.

The hon. Member for Bath was right. We wait for the Tories to adopt the new and pressing agenda for the nation. Not one word from the Opposition today gives me any confidence that, after two years in opposition, they have learned that lesson. The parents of this country want a Government who face the future and do not look back to the past. What we have heard today is a Conservative Opposition who harp on about arguments that they have lost. They lost with parents, they lost with teachers and, two years ago, they lost at the ballot box.

Conservative Members referred to the 160 grammar schools, and we will leave that matter to the parents. The Conservatives took action at central Government level to abolish more grammar schools than any other party did in a similar time scale.

Mr. Fabricant: Will the Minister give way?

Ms Morris: No, I am nearly out of time. Grant-maintained schools were about differential funding—not on the basis of the needs of children, but on the basis of the status and structure of schools. We have put that argument behind us.

The saddest thing was that, having failed to adopt the new agenda and having wasted three hours talking about grammar schools and grant-maintained schools while the rest of the world has moved on, the Conservatives could not even embrace the success of the literary and numeracy strategy. The hon. Member for Maidenhead quoted out-of-date figures and painted a picture of what teachers feared would happen at the start of the year. All the evidence from Ofsted, the National Foundation for Educational Research and teachers themselves shows that 90 per cent. of heads feel that it is a good system and 80 per cent. of teachers believe that it will raise standards.

I know that the hon. Member for Maidenhead does not believe the Ofsted evidence or the research from the NFER. What I know she likes is evidence quoted in teacher union magazines, so I shall quote from one of her favourite sources—the journal of the National Association of Schoolmasters/Union of Women Teachers. Adam Gibson, starting his third year at a new primary school in Derby, said of the literacy hour:

> "Most primary teachers feel the literacy framework is at worst a superb scheme of work and at best a genuine educational innovation."

I rest my case. Those words are not based on Government research. They are the words of the hon. Lady's tried and trusted friends—those who write in trade union journals.

[Ms Morris]

The hon. Member for Hertsmere not only has a selective memory—he was ungracious in his comments. I was waiting for him to turn away from his sterile arguments of the past and to acknowledge that, in the past two years, we have spent £1.8 million to reduce class sizes in his constituency. In his own area, 2,500 fewer infant children are in classes of over 30. In his own area, there will be 102 extra teachers and nine new classrooms this September to deal with infant class sizes. In his area, £9 million is being put in for capital expenditure to repair schools.

If we throw in the constituencies of the hon. Members for Maidenhead and for Buckingham (Mr. Bercow), we find that 4,000 five, six and seven-year-olds are in smaller classes. Between the three constituencies, there are 35 extra classrooms and 200 extra teachers. Between them, they have £35 million capital to repair their schools. That is what two years of Labour has done for three Opposition constituencies. Multiply that many times over, and that shows the nature of the choice and diversity that we have created.

Our policy is not about separation or favouring the few, but about real choice for parents between excellent schools. Our policy on diversity means that parents have the option of out-of-school learning activities, and can choose schools on their strengths. However, the policy is not just about choice and diversity, but about standards. We will be judged by that and by nothing else. All the evidence shows that so far we are making good progress. Over the next few years we will see something happen that has never happened before: we will have an education service that is fit and ready for the next millennium.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 129, Noes 352.

Division No. 228] **[9.59 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Beggs, Roy
Bell, Martin *(Tatton)*
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Cash, William
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cran, James
Davis, Rt Hon David *(Haltemprice)*
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gray, James
Green, Damian
Grieve, Dominic
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Heseltine, Rt Hon Michael
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
McLoughlin, Patrick
Malins, Humfrey
Mates, Michael
Maude, Rt Hon Francis
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Thompson, William
Townend, John
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Wardle, Charles
Wells, Bowen
Whittingdale, John
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. Keith Simpson and
Mrs. Jacqui Lait.

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Baker, Norman
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brake, Tom
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnett, John
Burstow, Paul
Butler, Mrs Christine
Byers, Rt Hon Stephen
Cabom, Rt Hon Richard
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David

Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Corbett, Robin
Corbyn, Jeremy
Cotter, Brian
Cousins, Jim
Cranston, Ross
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunliffe, Lawrence
Curtis-Thomas, Mrs Claire
Dafis, Cynog
Davey, Valerie *(Bristol W)*
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Fearn, Ronnie
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Andrew *(St Ives)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Hanson, David
Harman, Rt Hon Ms Harriet
Harvey, Nick
Heal, Mrs Sylvia
Healey, John
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Hesford, Stephen
Hinchliffe, David
Hood, Jimmy
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Rt Hon Barry *(Alyn)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Keetch, Paul
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Livingstone, Ken
Livsey, Richard
Llwyd, Elfyn
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Rt Hon Ian *(Makerfield)*
Macdonald, Calum
McDonnell, John
McIsaac, Shona
McKenna, Mrs Rosemary
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Rt Hon Alun
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Rt Hon Alan
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moore, Michael
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Öpik, Lembit
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Radice, Rt Hon Giles
Rammell, Bill
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Rowlands, Ted
Roy, Frank
Ruddock, Joan
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Salter, Martin
Sanders, Adrian
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Rt Hon Clare
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stott, Roger
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
Watts, David
Webb, Steve
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Willis, Phil
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

Tellers for the Noes:
Mr. Keith Hill and
Mrs. Anne McGuire.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments):—*

The House divided: Ayes 321, Noes 149.

Division No. 229] **[10.14 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Rt Hon Stephen
Caborn, Rt Hon Richard
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Cranston, Ross
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunliffe, Lawrence
Curtis–Thomas, Mrs Claire
Davey, Valerie *(Bristol W)*
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Galloway, George
Gapes, Mike
Gardiner, Barry
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Hesford, Stephen
Hinchliffe, David
Hood, Jimmy
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Rt Hon Barry *(Alyn)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Livingstone, Ken
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Rt Hon Ian *(Makerfield)*
Macdonald, Calum
McDonnell, John
McIsaac, Shona
McKenna, Mrs Rosemary
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Rt Hon Alun
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Rt Hon Alan
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Radice, Rt Hon Giles
Rammell, Bill
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Rowlands, Ted
Roy, Frank
Ruddock, Joan
Russell, Ms Christine *(Chester)*
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Rt Hon Clare
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*

Taylor, David *(NW Leics)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
Watts, David
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

Tellers for the Ayes:
Mrs. Anne McGuire and Mr. Keith Hill.

NOES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Baker, Norman
Beggs, Roy
Beith, Rt Hon A J
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brake, Tom
Brazier, Julian
Breed, Colin
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burnett, John
Burns, Simon
Burstow, Paul
Cash, William
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clifton-Brown, Geoffrey
Collins, Tim
Cormack, Sir Patrick
Cotter, Brian
Cran, James
Davis, Rt Hon David *(Haltemprice)*
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Flight, Howard
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James
Green, Damian
Grieve, Dominic
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harvey, Nick
Hawkins, Nick
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Heseltine, Rt Hon Michael
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Keetch, Paul
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
McLoughlin, Patrick
Malins, Humfrey
Mates, Michael
Maude, Rt Hon Francis
May, Mrs Theresa
Moore, Michael
Nicholls, Patrick
Norman, Archie
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Smith, Sir Robert *(W Ab'd'ns)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Stunell, Andrew
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Thompson, William
Tredinnick, David
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Wardle, Charles
Webb, Steve
Whittingdale, John
Willis, Phil
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mrs. Jacqui Lait and Mr. Keith Simpson.

Question accordingly agreed to.

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House welcomes the Government's success in cutting infant class sizes after 10 years of rising class sizes and the successful introduction of the literacy hour, which is restoring phonics, spelling and grammar to the primary school curriculum; notes the plans to extend daily numeracy lessons nationwide from September, which will place strong emphasis on mental arithmetic; recognises the Government's strong commitment to diversity through the rapid expansion of specialist schools and beacon schools; welcomes the success to date of the Government's policy in support of failing schools; supports the considerable work already undertaken to reduce bureaucracy in schools following years of neglect; supports the Government's new code of practice on school admissions; welcomes the new White Paper on reform of post-16 education and the clear guarantees it offers on sixth form funding; supports the Government's plans to reward good teaching; and believes that the extra £19 billion allocated to education is beginning to make a real difference to the money available to schools, not least in tackling the substantial repairs and maintenance backlog.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

CIVIL AVIATION

That the draft Stansted Airport Aircraft Movement Limit (Amendment) Order 1999, which was laid before this House on 16th June, be approved.—*[Mr. Mike Hall.]*

Question agreed to.

Preston Guild Community Health Trust

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Mike Hall.]*

10.26 pm

Audrey Wise (Preston): In 1990 the then Preston health authority appointed Mr. Les Howell as general manager. He is now suspended and has been informed that his contract has been terminated. The purpose of tonight's debate is to examine that situation and relate it to wider concerns about mental health and community services in Preston.

When Mr. Howell was appointed, his remit was to merge two directly managed units—one covering mental health and the other dealing with community services—that would together form the priority services unit. The previous general manager of the mental health services had been dismissed and the services provided were variable to poor, except for those covering learning disabilities, which were good. Mental health services were in a disgraceful condition.

The trouble had been long standing. In 1972, there was a major statutory inquiry—the Payne inquiry—into Whittingham mental hospital. The report showed abuses and ill-treatment of patients. One patient died as a result of ill-treatment.

On taking over in 1990, it appeared to Mr. Howell that little had changed. As always, some staff were doing their level best, but in general the standards at Whittingham hospital were appalling. For example, toilets on the corridors were locked to stop patients accessing them. Sexual abuse of patients was discovered, a senior psychologist was dismissed and a charge nurse was sent to prison for two years for having unlawful intercourse with a patient. Pornography was found, and attempted suicides were frequent and sometimes successful. In one case a 16-year-old girl was found hanging from a shower rail.

In 30 years in the national health service the new general manager, Mr. Howell, had never experienced such a bad situation and seriously considered leaving six months after his appointment. However, he stuck it out, successfully integrated two management teams and created the new combined unit and later the Preston Guild community trust.

The closure of Whittingham hospital was successfully managed. It included negotiations with 46 other organisations to achieve the successful transfer of patients and resources. The closure programme was agreed at 36 months and delivered on time with only 18 compulsory redundancies, although 760 staff had been declared at risk.

Although hospitals such as Whittingham certainly needed to be closed, there are many unresolved issues. In the case of Whittingham, unusually, local people supported the existence of mental health facilities on the site. Mr. Howell proposed developing the site into a health park that would provide a comprehensive range of mental health services such as forensic services including high security, also palliative care, and a range of holiday and respite facilities for mentally and physically disordered people.

The idea was presented to the regional chief executive, Professor Tinston, received politely, and deferred. Mr. Howell formed the view that it was not favoured. That may be because it is preferred that the site should be sold for housing development, which is very much against the local community's wishes and will not help to meet any of the clear needs for improved facilities for mental health services. I would much prefer an imaginative idea such as Mr. Howell's, and I regard it as characteristic of the man that he was working on such a proposal.

My hon. Friend the Minister suggested to me that the trust should

"build on its past record".—[*Official Report*, 8 June 1999; Vol. 332, c. 460.]

That implies that there is a record worth building on; and there is. The Guild trust has a unique facility for the care of patients with advanced Huntington's disease, which is a genetically carried severe degenerative disease—one of the most distressing diseases that there is. Frank Gardham house is the only dedicated facility in the country; the only other one in the world is in Melbourne, Australia.

It is generally acknowledged that the inspiration for Frank Gardham house came from Mr. Howell. It was designed and developed and is managed jointly with carers. Last August, my right hon. Friend the Secretary of State for Health presented Mr. Howell with a special NHS 50th anniversary award to the trust for Frank Gardham house. The only problems are that it should be replicated elsewhere and that North West Lancashire health authority should fund more beds for local people. Current funding allows for only three or four people from our area.

As the local Member of Parliament, I am painfully aware that that is insufficient. As with all genetic diseases, there can be area clusters, and Preston is such an area for Huntington's disease. Unfortunately, the health authority does not share the view of the NHS or the Secretary of State about Frank Gardham house and I have had to raise questions about funding and provision for my constituents that have not, in my view, been dealt with satisfactorily.

I am sorry to say that the situation has worsened since Mr. Howell's suspension last autumn. Indeed, I have since been informed by the health authority that

"The Authority has consistently maintained that, as far as possible, services for people with this condition should be provided in the community."

In 1995, I made representations about the need to admit a patient with Huntington's who was living in a night shelter. I have copies of correspondence that show a complete lack of understanding by North West Lancashire health authority of the needs of patients with Huntington's. There was even a claim that their needs could be met by a social care package from social services.

There was considerable unwillingness to pay for a suitable service. In a letter to me, the chief executive, Mr. David Edmondson, simply passed the buck to the Guild and blamed it for failure to admit the patient. He did not tell me that the Guild had already raised the patient's plight, nor did he then make it clear that the health authority really did not like paying for the provision and would prefer it to end.

I now understand from both the acting chief executive of the Guild and North West Lancashire health authority that the Guild is reviewing its range of provision

"with a view to moving towards a more community based service in the future, thus reducing the need for residential places."

Frank Gardham house is a small specialist unit with deeply involved carers. In my view, it is part of the community; but of course it costs more than care in the patient's home or a nursing home.

I have already informed my right hon. Friend the Secretary of State that I intend to fight hard for the maintenance of the service. I consider that Mr. Howell's removal was seen as an opportunity to worsen the service. One of the criticisms levelled at Mr. Howell is that he has a bad relationship with Mr. Edmondson. I strongly suspect that that may be connected with Mr. Howell's propensity to want more funding for services such as Frank Gardham house, arising from his passionate concern for patients.

The Preston area contains many people from minority ethnic communities. Under Mr. Howell's leadership, very good relationships have been built with those communities. Projects include jointly organising workshops and local conferences sponsored by the Guild trust. They have helped local communities express their views on how to make services more accessible and appropriate for their cultures. Projects have included mental health, women's issues and services for children, and the results have been recorded in various languages and reported back to the communities. That is why there is such support for Mr. Howell among the ethnic minorities.

Last September, a national conference on health care for minority ethnic groups was organised by the Guild trust, with the co-operation of six other trusts, and three universities and colleges. Unfortunately, the appropriate health authorities, including North West Lancashire, declined to take part.

Apart from a conference organised by the Department in 1997, that was the first national conference on the issue. Having participated, I can vouch for its resounding success. It was informative, constructive and thought provoking at every level. It involved both professional and lay people from all communities in the UK, and it crossed the health and social services divide which, as my hon. Friend the Minister knows, is usually all too wide.

I do not believe that that conference would have taken place without Mr. Howell's inspiration and guidance. It was intended to be the first step towards setting up an institute of minority communities health and social care, but I have not observed any progress towards that aim since his suspension.

Mr. Nigel Evans (Ribble Valley): Will the hon. Lady give way?

Audrey Wise: No. The hon. Gentleman had an Adjournment debate a few weeks ago, and should be satisfied with that.

Since Mr. Howell's suspension, I have received many expressions of support for him from all sections of the minority communities in Preston and throughout Lancashire. I have also received expressions of support for him from carers of trust patients.

One of those who wanted to get rid of Mr. Howell described him as

"very clever, imaginative and passionate about the Health Service."

That is quite a good reference from an opponent. However, a person who brings single-minded commitment to his job, which entails sorting out problems such as I have outlined, is apt to make enemies, and Les Howell has clearly done that.

Now the opportunity has been taken to get rid of him. How did that opportunity arise? As is not uncommon in organisations dealing with mentally disturbed patients, incidents have taken place that have sparked concern and inquiries.

Two such incidents occurred in 1996. The first involved two patients, Julie Byelong and her husband Douglas. Douglas Byelong was on conditional discharge by order of the Secretary of State, the condition being that he lived in his flat, which he failed to do. Julie Byelong absconded on unsupervised leave granted as part of a medical decision. They committed the serious offences of attempted murder and kidnap. Both had been patients at the Langdale unit, a medium-secure forensic unit for Lancashire and south Cumbria. The majority of its patients are detained under the Mental Health Act 1983, and most suffer from severe mental illness.

A detailed report into the matter states:

"The service has been historically under resourced."

I regard that as a very significant statement. Various recommendations were made and were being progressed according to plan, but it seems to me that problems of under-resourcing almost certainly persist.

The second incident involved a discharged patient, Daniel Holden, who later committed murder. The court found that he was not mentally ill at the time of the murder. It was agreed—by the court and by a subsequent inquiry—that the trust bore no responsibility for the fact that he committed murder. However, the inquiry found that there were deficiencies in the care that he had received in the community while a patient, and made some recommendations about that. Surprisingly, it also imported into the report some strong criticisms of the chief executive. I have analysed the report carefully, and those criticisms do not seem to me to be properly justified by the report's factual findings.

Mr. Howell took exception to the report, and made what I consider to be a mistake in the way that he handled it. That gave his opponents an opportunity, and they took full advantage of it.

Mr. Howell replied to the draft Holden report before he consulted the board, although he did consult the then chairman. Mr. Howell's reply was a defence of the trust as well as of himself. It was understandable and probably justified, but it was a lapse of judgment to send it before consulting the board. The chair, Mrs. Diamond, was then pressured into suspending him on threat of a vote of no confidence in herself as well.

The Galbraith inquiry was then set up. Mr. Howell had understood that his suspension was without prejudice and he was in favour of an inquiry. However, the inquiry panel interpreted its terms of reference as meaning that it should set aside all issues of Mr. Howell's achievements and consider only whether there had been a loss of confidence in him.

Every other inquiry had given lists of those who gave evidence and had made detailed reference to factual matters and documents. The Galbraith inquiry did not disclose who gave evidence, nor any documentary back-up, nor the basis on which it decided whom to interview and whom to refuse to interview. Having confidence in Mr. Howell was given no weight, but losing confidence in him carried great weight.

The then trust chair is heavily criticised for having too much confidence in the chief executive. Insinuations are made about the capability of the then human resources

[Audrey Wise]

director, who has now successfully obtained a position with another trust, but who also had, apparently, the fatal flaw of having confidence in the chief executive.

Two non-executive directors, Mr. Nelson and Mr. Mallidi, had been very reluctant about the suspension in the first place, but three non-executive directors had favoured it. Therefore, the margin was not exactly huge, but the impression has been given that no one had any confidence in the chief executive and that he was unable to work with other people.

Some staff were critical. I have discussed that with some of them, but they did say to me that Guild trust services were second to none and far better than others in Lancashire, and that they had a staff training system that was also second to none. However, they apparently gave the chief executive none of the credit for that of which they approved, and all the blame for what they did not like. Most of what they did not like appeared to result from changes in the NHS through the establishment of trusts, many criticisms of which I agree with.

The Galbraith report established that some people have lost confidence in Mr. Howell, but not whether that loss of confidence was well founded or justified. I have never seen such a shoddy or flimsy document on which to base serious action. Mr. Howell has been thoroughly victimised. He has faced no specific charges, so has had no opportunity to rebut specific charges. Vague assertions of loss of confidence are not the same as being guilty of wrongdoing that justifies the deprivation of a person's livelihood, yet that is what is happening.

The Minister of State, Department of Health, my hon. Friend the Member for Southampton, Itchen (Mr. Denham), told me that

"the proper procedures have been followed"

and that

"there has been proper consultation with the regional office."—[*Official Report*, 8 June 1999; Vol. 332, c. 460.]

I wonder whether he really thinks it is permissible for the NHS to sack an employee without disciplinary procedures. I think that, on reflection, he will decide that it is not.

A chief executive with a difficult job to discharge may become unpopular with some people, especially if he finds it necessary to complain about some of their work. Mr. Howell had indeed complained about the work of two of the executive directors—the director of finance, Mr. Tomlinson, and the then director of nursing, Mrs. Hedley. I have details of that available, but no time to elaborate here.

As I have said, the board was divided. Three non-executive directors opposed Mr. Howell, while the then chairman and two non-executive directors supported him, although they reluctantly agreed to the suspension.

At first, Mr. Howell was extremely anxious to return to the Guild trust. His first reactions were a robust desire to vindicate himself and the work of the Guild trust and to resume his work. However, his health has subsequently been badly damaged by what has been a long and bitter dispute, and by his feelings of injustice and victimisation. He has been isolated, had no access to papers from which to prepare a case and, indeed, no one to whom he could present a case. He was, and remains, strongly of the view that there should be a proper public inquiry into all those circumstances. However, as I said, his health has been badly damaged and he wishes to take early retirement on medical grounds, to which he may well be entitled. A proposal for early retirement had been put to him and he has accepted it, subject to clarification which was never received.

My right hon. Friend the Secretary of State has now appointed a new temporary chair and a new board. I have been astonished to find that, without even seeing Mr. Howell or his representatives, it has decided to terminate his contract. It has even ignored the fact that he is probably entitled to early retirement on medical grounds, which would not involve the trust in any expense. Instead it has issued press releases publicising its decision, even while ostensibly allowing Mr. Howell a right of appeal. Incorrect statements implying that Mr. Howell had been demanding large sums of money have been allowed to gain credence and his reputation has been damaged—in his opinion, irreparably.

Mr. Howell has played an important part in building an improved service in my area. He has committed no misdemeanours or offences of any sort, he is passionately devoted to patients and their families and to the national health service, yet he is rewarded by being deprived of several years' employment. That is damaging to the NHS as well as a great injustice.

Mr. Evans: Let the Minister reply.

Audrey Wise: I do not expect the Minister to give me a definitive reply and I am aware that I have left him little time, but I hope that he will earnestly reflect on what I have said. Indeed, I am sure that he will do so.

10.46 pm

The Minister of State, Department of Health (Mr. John Denham): I should begin by congratulating my hon. Friend the Member for Preston (Audrey Wise) on obtaining this Adjournment debate. The events at the Guild Community Health Care national health service trust have generated a considerable amount of public and political interest. Indeed, this is the second time that the House has debated events at the trust in just under a month.

My hon. Friend has spoken of the good work of the trust and the achievements of the former trust chief executive, Mr. Les Howell. His contract has recently been terminated and he has appealed against that decision. Obviously, hon. Members will understand that it would not be appropriate for me to comment on the correctness of the action or the appeal that is pending at this time.

The trust's difficulties have been widely discussed and reported in recent weeks, but, as my hon. Friend acknowledged, they go back much further than that. The former chairman's decision, formally to suspend the chief executive on full pay and without prejudice from 5 October 1998, followed successive inquiries and reports by different, independent panels, all of which had identified unsound practices and failure to follow the appropriate procedures.

The effect on a trust whose patients are often disturbed and vulnerable people was obviously a matter of the utmost concern to those who commission its services, to the local community and to the people who work in it.

At the risk of repeating some of the history, in early 1997, the North West Lancashire health authority received the report of an inquiry that it had commissioned into an incident involving a patient who had absconded from the Langdale unit. That report made 44 recommendations for improvements to the clinical, nursing, administrative and security services at the trust. The report also referred to some poor external relations, most notably the relationship between the Guild and the lead commissioner of its services, North West Lancashire health authority. Furthermore, the report observed that

"the provision of community services"

had

"evolved in an unplanned and inchoate fashion".

The draft report into the care and treatment of Daniel Holden, however, which East Lancashire health authority received in the summer of 1998, precipitated the actions to suspend, and subsequently to dismiss, the chief executive. Daniel Holden was on the Langdale unit's supervision register when he murdered a neighbour in Darwen in March 1997. Since the patient was an East Lancashire resident at the time, it fell to that health authority to launch an independent inquiry in line with statutory requirements. The report concluded that the chief executive's

"responsibilities had not been adequately discharged"

and that the board should, therefore, consider how to bring about changes in management style that would enable the trust to make a fresh start.

The inquiry had been conducted over six months, and its final report, the Holden report, itemised failures by the trust to carry out certain fundamental procedures correctly, if at all. By last summer, there were indications that the trust had taken steps to address the recommendations of earlier reports and that some of the clinical, nursing and administrative inadequacies identified had been put right.

On 20 August 1998, however, East Lancashire health authority invited the trust to check the draft Holden report for

"any factual inaccuracies, so that a final report could be produced and formally received and considered by the Health Authority."

I am advised that the response of the trust's chief executive to the draft report was the cause of concern for some members of the trust board.

On 1 October, three executive and three non-executive directors of the Guild visited the regional offices of the NHS executive to voice their concerns to the chairman of the north-west regional office and the regional director. On 2 October, the three non-executive directors gave the chairman, Mrs. Diamond, a letter in which they called for Mr. Howell's suspension.

Regional officials met Mrs. Diamond a week later. She had already spoken to Mr. Howell and advised him to stay at home on extended leave while the trust board considered how to respond to the Holden report. The regional director explained to her that, unless Mr. Howell were formally suspended from his post, he would remain the accountable officer for the trust and that that would not be satisfactory. As a consequence, Mrs. Diamond wrote to Mr. Howell suspending him on full pay and without prejudice from 5 October.

The trust board then unanimously agreed to commission an investigation into the specific criticisms of the chief executive in the Holden report. The regional office offered advice about suitable candidates to undertake this work; a list of several names was put forward for consideration, and the chairman and non-executive directors took the final decision.

The inquiry team consisted of a chairman, Mrs. Ann Galbraith, former chair of a major trust in another region, and one other panel member, Mr. Neil Campbell, chief executive of the Dumfries and Galloway health board. The terms of reference were agreed unanimously by the trust board on 20 October.

The panel drew up a list of people to be interviewed and then offered all Guild employees, by means of a special edition of the staff bulletin, the opportunity to give confidential evidence to the inquiry. The panel's report, known as the Galbraith report, was completed just before Christmas. It upheld many of the findings of the Holden report and concluded that the chief executive's position was "untenable". The report refers to people being

"keen to record their appreciation of Mr. Howell and to illustrate his achievements during his employment at the Guild",

but it also stated:

"The panel is greatly concerned by the sheer weight of opinion showing a lack of confidence in the management style of Mr. Howell."

The panel advised the trust board that Mr. Howell had lost the confidence of a significant number of the individuals and organisations with whom and with which he had had regular contact.

At a meeting on 29 December 1998, the chairman and non-executive directors agreed to accept the report's first recommendation, which indicated that Mr. Howell's position had become "untenable". After discussing her own position with the regional chairman on 9 January 1999, Mrs. Diamond resigned as chairman two days later. Between January and March, the non-executive directors had further discussions and on-going negotiations with Mr. Howell's representatives.

On 19 April, the Secretary of State met Mrs. Kirk, the current chair of the trust, and concluded that she was the right person to lead the trust. She agreed to take up the post for six months with effect from 17 May. The Secretary of State and Mrs. Kirk discussed the need for a fresh start, and the House will know for reasons that I have previously outlined that three non-executives were subsequently removed from office and two resigned. A new non-executive team was appointed from 18 June.

Mr. Evans: Will the Minister give way?

Mr. Denham: No, I cannot possibly give way at this time.

After looking into the background to Mr. Howell's suspension, Mrs. Kirk concluded that the need to establish strong leadership was paramount and that the trust's genuine attempts to negotiate with him had stalled. She recommended to her trust board that Mr. Howell should be dismissed. It unanimously approved that course of action and the chairman wrote to inform Mr. Howell that his appointment would be terminated from 11 June. He has since exercised his right of appeal, and I understand that a meeting has been arranged for 13 July to exchange documentation and agree the process for the appeal and the dates for the hearing.

Mr. Evans: Will the Minister give way on that point?

Mr. Denham: No. The hon. Gentleman had an extended Adjournment debate just a few weeks ago.

[Mr. Denham]

The appeals panel that has been established by the trust consists of Mr. Ian Pirnie, the former chairman of Ashworth high security hospital and present chairman of Morecambe Bay health authority, Dr. Nuala Swords-Isherwood, chairman of Stockport Acute Services NHS trust and Mr. Mike Deegan, chief executive of Warrington Hospital NHS trust, who was previously director of human resources for the NHS Executive. The panel is charged with establishing whether the chairman and non-executive directors of the trust have acted appropriately in terminating Mr. Howell's contract of employment. The dispute is between Mr. Howell and his ex-employers, and it is for the panel to judge whether the interests of natural justice have been properly served.

This has been a unique and difficult chapter in the history of NHS trusts, but our overriding objective throughout has been to ensure that the patients and staff of Guild Community Health Care NHS trust are provided with the best possible conditions in which to receive and deliver treatment and care. I hope that matters will be brought to a satisfactory conclusion as quickly as possible, that all the people affected by the events of recent months can resume their normal lives and that the trust can get on with the business of providing good quality health services to the local community.

Question put and agreed to.

Adjourned accordingly at four minutes to Eleven o'clock.

House of Commons

Thursday 8 July 1999

The House met at half-past Eleven o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PRIVATE BUSINESS

CITY OF LONDON (WARD ELECTIONS) BILL (*By Order*)

Order for consideration, as amended, read.

To be considered on Wednesday 14 July at Seven o'clock.

Oral Answers to Questions

EDUCATION AND EMPLOYMENT

The Secretary of State was asked—

New Deal

1. **Mr. Chris Pond** (Gravesham): How he proposes to improve the promotion of self–employment through the new deal. [88964]

The Minister for Employment, Welfare to Work and Equal Opportunities (Mr. Andrew Smith): We are promoting the self-employment option through personal advisers. By the end of May, 1,800 young unemployed people had started on new deal business courses, 800 had started test trading and more than 100 were independently running their own businesses. The very best promotion for the new deal self-employment option is the success of young people themselves, such as Mark Venning in Plymouth, who has not only started his own business through the new deal, but is now poised to recruit his first new deal employee.

Mr. Pond: I thank my right hon. Friend for that answer. Is he aware that my hon. Friends in north Kent and I have carried out an inquiry into the operation of the new deal in our area? Generally, the response from those involved has been positive and enthusiastic. However, the concern is—it is certainly the perception—that the potential for self-employment has not been fully exploited. In building on the success of the new deal, and in developing the new ONE service, will he give the House an assurance that he will consult organisations such as the Prince's Trust, to ensure that young people with a good business idea can use their energies, talents and abilities to move out of unemployment and into self-employment?

Mr. Smith: I congratulate my hon. Friends on their work locally, which builds on the extensive involvement of hon. Members in the new deal. That has been something of an innovation, and has greatly contributed to the success of the programme. We are working closely with the Prince's Trust Business, and I was pleased recently to announce, with the support of all parties in the House, an extra £50 million of matched funding, which should enable an additional 30,000 young people to start their own businesses over the next five years. A significant proportion of those 30,000 will be new deal young unemployed people.

Mr. Roy Beggs (East Antrim): The Minister's statement is encouraging for those who have taken advantage of new deal opportunities. Does he agree with me and many colleagues present that there are individuals throughout our constituencies who did not achieve much academically at school, but who after leaving school have, with initiative and support, become successful in self-employment? Does he further agree that organisations such as the local economic development enterprise groups in Northern Ireland, which encourage new business start-ups, could provide support; and that, through the new deal, placements could be found for business start-up in such organisations?

Mr. Smith: Yes, I do agree. I thank the hon. Gentleman for his support for the programme, which, if it can help to tackle the historically high unemployment in his constituency and in neighbouring areas, will make a big contribution to overcoming the sectarian divisions that must be overcome if we are to make a success of the peace process, which we all want. I commend the efforts of start-up bodies, the Employment Service in Northern Ireland and local businesses, which are doing their bit in a great partnership effort to give new hope to young people who have had a rough start in life.

Mr. John Healey (Wentworth): My right hon. Friend has recently announced continuous improvement targets for next year of 6 per cent. to boost the number of young people going into unsubsidised and subsidised jobs. They are good, fair targets. Will he confirm whether similar improvement targets have been set for the self-employment option, given its importance within the new deal programme? If not, will he consider doing so?

Mr. Smith: Yes, indeed. It is actually a 6 percentage point improvement, which could mean an increase of as much as a third in some of the poorly performing units of delivery, and an increase of about 8 per cent. even in the best performing units. People who are securing self-employment through the new deal self-employment option are included in those targets.

I shall give further thought to the question of whether we need specific targets for self-employment. I would inject a note of caution, however, because self-employment is not a realistic aspiration for everyone, and it is important that young people who start up their own business do so with their eyes open and with the right degree of support.

Mr. John Bercow (Buckingham): We welcome any chance for new deal recruits to end up working for themselves, especially as most of them have had little chance to end up working for anyone else. On the right hon. Gentleman's own admission, more than

16,000 recruits have gone back on benefits, almost 40,000 have disappeared to destinations unknown, and three quarters have failed to find employment. The Business Services Association, which started by supporting the scheme, says that the new deal has not proved effective at matching candidates to job vacancies. What guarantee can the right hon. Gentleman give the House that his latest scheme will not be as big a failure as his previous botched efforts?

Mr. Smith: I congratulate the hon. Gentleman on his appointment to the Front-Bench team. It is the first opportunity I have had so to do—*[Interruption.]*—although my hon. Friend the Member for Bolsover (Mr. Skinner) says that the hon. Gentleman is obviously still in the gateway stage.

As the new deal has already helped 100,000 young people off benefit and into jobs and cut long-term youth unemployment since its introduction by two thirds, and as this country now has the lowest youth unemployment for 25 years, I should have thought that the hon. Gentleman would support the efforts of the Employment Service, our partners, and employers throughout the country to make the new deal a success—offering hope and opportunity for young people—rather than try to undermine it.

Schools Collaboration

2. **Mr. Barry Sheerman** (Huddersfield): What steps he is taking to improve the level of communication and co-operation between schools in the same locality. [88965]

The Parliamentary Under-Secretary of State for Education and Employment (Mr. Charles Clarke): We regard better communication and co-operation between schools and particularly the dissemination of good practice as a vital part of our drive to raise standards in schools. Among the Government's initiatives are the beacon schools initiative, specialist school schemes, "Excellence in Cities", education action zones and a range of other ideas to that end.

Mr. Sheerman: I welcome the Administration's announcements over the past two years, but as my hon. Friend will be aware, we have a legacy of poor co-operation between schools which we inherited from the former Administration. Will he look at innovative supply chain techniques in business and apply them to the relationships from the earliest school—pre-school—to universities? Will he come to my constituency of Huddersfield, where, led by the further education sector, we have achieved amazing results in improving quality, from pre-school to the local university?

Mr. Clarke: I accept what my hon. Friend says about the achievements in Huddersfield. May I draw attention to the early-years development schemes, our development of school organisation committees, and the post-16 White Paper that was published last week, all of which are designed to generate co-operation between all aspects of education and to achieve what he mentions?

Miss Anne McIntosh (Vale of York): I entirely endorse the philosophy that local schools should co-operate. On schools in the Vale of York area, which is now within the city of York, there was excellent co-operation at the level of North Yorkshire county council, which—I say it for the House's benefit—is Conservative controlled. I regret that, since it has had its own Labour-controlled local education authority, the city of York has not even developed a long-term education strategy to deal with the real problem of surplus places in the town. What will the Government do to correct that matter?

Mr. Clarke: I have met delegates from the city of York and the local Members of Parliament to discuss those issues. The educational development plans focus precisely on the means of developing co-operation to address those issues; but it is a bit rich of Conservatives, who positively promoted division between schools when in government, to make criticisms on that front. We are trying to build co-operation.

Pupil Mobility

3. **Mr. Bob Blizzard** (Waveney): What assessment he has made of the effects of pupil mobility on standards in schools. [88966]

The Parliamentary Under-Secretary of State for Education and Employment (Mr. Charles Clarke): We are supporting a research project into pupil mobility and its effect on schools, conducted by the migration research unit at University College, London. We expect preliminary results from the project to be available this month. We hope that the outcomes will provide more information on the issue of pupil mobility and the impact on standards in schools. We will keep the House informed of progress.

Mr. Blizzard: I thank my hon. Friend for that answer. May I give him an example from a primary school in my constituency which highlights the problem? I take the most recent year group to leave that school. During its four-year passage through the school, there were 123 pupils, yet of that number, only 40 were on the roll for the duration of those four years—a 67 per cent. mobility rate. A high proportion of those transient pupils suffer serious under-achievement, given the number who are on records of support, and it is much harder for the school to teach the 40 regulars, if I may call them that.

Will my hon. Friend consider making resources available from the standards fund, once he has evaluated the research, to help schools to develop and to implement strategies to deal with the problem?

Mr. Clarke: My hon. Friend is entirely right. The answer to his question is yes, we shall consider that, once we have evaluated the research. The fact is that mobility is very high in many surprising places: in seaside resorts, such as those in his own constituency; in inner-city areas, where there has been surprisingly high mobility; in places near armed forces, such as schools in Catterick; and in travellers' areas, migration areas, and rural inland areas. We have to understand pupil mobility far better, and then decide how to target resources so that they make a difference.

Excluded Pupils

4. **Mr. Jonathan Shaw** (Chatham and Aylesford): What support has been made available to schools to help them reduce the number of pupils who are excluded. [88967]

The Minister for School Standards (Ms Estelle Morris): In 1999–2000, £57.4 million has been made available through the standards fund to help local education authorities and schools reduce levels of truancy and exclusion and move towards a full timetable for those out of school. Overall, £500 million will be made available over three years. Other measures to tackle truancy and exclusion include requiring authorities to set targets to reduce truancy and exclusion levels by one third by 2002, and, earlier this week, issuing new integrated guidance, "Social Inclusion; Pupil Support".

Mr. Shaw: I thank my hon. Friend for that reply. Is she aware of the organisation Place to Be, which provides specialist counselling and therapy-based services in schools in areas such as Medway to assist children and their families when they are in periods of difficulty? That counselling is an enormous help to those families, and perhaps prevents them from going on to use other health services and waiting a long time. Additionally, its proactive approach means that many pupils who might face exclusion, either permanently or temporarily, may avoid doing so. Will she find out more about Place to Be, and try to ensure that thousands of other children benefit from that vital service?

Ms Morris: I share with my hon. Friend the determination to take preventive action, so that we may stop youngsters being excluded. As he well knows, the purpose of the Place to Be project is to prevent long-term mental health difficulties in primary-aged children who may be at risk of such difficulties. I was delighted that some of the almost £500,000 that has been provided to Medway, where my hon. Friend's constituency is to be found, is being used to support Place to Be. My hon. Friend may be interested to know that Place to Be is also doing some work in one of the education action zones. We shall evaluate the project, as that is one of the grant conditions. However, after careful evaluation of the project, if it is proved to be effective, we shall of course be delighted to help to support it operating elsewhere.

Mr. Nick St. Aubyn (Guildford): Yesterday, the Education and Employment Committee published the Government's response to our report on highly able children, some of whom may also be at risk of exclusion if the maintained sector cannot meet their very particular needs. A nine-year-old girl in my constituency has not found in the maintained sector the education that she needs, and, this autumn, will be going to a local independent school. Will the Minister explain to the House why that girl and her family have to rely solely on charitable support to achieve the education that she needs, and why the Government will deny power to the local education authority to fund that provision?

Ms Morris: The Government welcome the Select Committee report on the education of highly able children. As the hon. Gentleman knows, the Government have launched a policy—the most wide-ranging such policy ever developed in the lifetime of the English education service—to support highly able children throughout the school system. His constituents will always have the choice of whether to access the independent sector to educate their children.

The challenge, which the Government are meeting, is to ensure that the maintained sector values and provides a high standard of education to every single child, so that they are able to fulfil their potential. Our action—in providing extra resources and support, setting clear targets, modernising the comprehensive system, and ensuring diversity in primary and secondary education—is exactly the way to reach that goal, so that, in future, parents will not be faced with the very difficult dilemmas to which the hon. Gentleman has referred.

Mr. Dale Campbell-Savours (Workington): My hon. Friend will be aware of the unfortunate circumstances surrounding the exclusion—from the Nelson Thomlinson school, in Cumbria—of a child from my constituency. In the light of that case—which I think has national significance—why cannot we now have a complete review of the whole policy? There was an injustice in that case, and we must find some way of ensuring that similar injustices do not occur in future.

Ms Morris: I recall the case to which my hon. Friend refers. We have had lengthy correspondence on it and I very much hope that it has been resolved. We have a good system for dealing with exclusions and disputes between parents and schools. It is inevitable that the relationships between parents and schools will occasionally break down. Sometimes the victims are the children, whose education is disrupted. I hope that in the case to which my hon. Friend referred those concerned took every possible course of action to bring about a speedy resolution—but I entirely take his point. If the system needs changing to avoid children being out of school for a long period, we shall be happy to learn from that example and review the situation when we review our policy.

Mrs. Theresa May (Maidenhead): We all want to ensure that all children are valued and are given access to education so that they can take advantage of the opportunities that it offers them. Does the Minister accept that many teachers are very concerned about the impact that the Government's insistence on targets for reducing exclusion could have in the classroom? Many feel that to reach the targets pupils will be kept in the classroom against the better judgment of the school and against their own interests and those of others in the school—or will the Government fiddle the figures to reach their target, as we have already seen may be happening on the literacy and numeracy targets?

In "Excellence in Cities", the Government have proposed that pupil referral units be set up in schools so that pupils can be excluded within the school rather than from the school. Will the Minister confirm that future figures on exclusions will include the number of pupils excluded from the classroom? That would give a true picture of exclusions and not allow the Government to attempt to reach their target merely by fiddling the figures.

Ms Morris: I am left wondering whether the hon. Lady knows what exclusion means. Under the Conservative

Government it meant excluding a child from full-time education and often providing them with as little as two hours' education a week. Part of the money that we have made available this year will be used to provide full-time education for the first time for those excluded from school. I hope that all hon. Members share our wish for children not to be excluded from school.

I entirely accept that there are occasions when a child needs to be removed from the classroom because of the effect that their behaviour and attitude is having on other children. Our wish is to keep them in the school and in mainstream education. The figures show that a child sent out of school to a pupil referral unit is very rarely reintegrated into the mainstream system. I had hoped that the hon. Lady would welcome the fact that we are making resources available, under "Excellence in Cities" and other initiatives, to support schools and teachers in their wish to find a speedy way of dealing with children who are having a disruptive effect on the education of others, while keeping them in school and in full-time education, working with them and reintegrating them as quickly as possible.

Special Measures

5. **Mr. Jeff Ennis** (Barnsley, East and Mexborough): How many *(a)* primary schools and *(b)* secondary schools have been taken out of the special measures category since the beginning of the current academic year. [88968]

The Secretary of State for Education and Employment (Mr. David Blunkett): I am pleased to be able to announce that last term, for the first time, the number of schools going into special measures was exceeded by the number coming out. There were 135 entering special measures and 149 coming out, of which 109 were primary schools, 24 were secondary and 16 were special schools. By the end of this term a further 40 schools will have come out of special measures.

Mr. Ennis: I thank my right hon. Friend for his response and I congratulate the Government on their progress towards achieving their objective of making every school in this country a good school. Is my right hon. Friend aware that Milefield primary school in Grimethorpe in my constituency has recently been taken out of the special measures category? Having visited Grimethorpe, he will be aware of the hardships that it has suffered in recent years, particularly in 1993 when the local pit was deliberately closed as an act of political spite, not economic necessity, by the previous Government. Will my right hon. Friend join me in congratulating everyone connected with Milefield school, including the headmistress, Judith Hurst, the governors, the staff, the parents and particularly the children, on their recent achievement?

Mr. Blunkett: We all appear to be able to rejoice at Milefield school coming out of special measures in February. I congratulate all who have made that possible, including the head, the teachers and the parents. When I visited Grimethorpe last Friday, I was deeply impressed by the spirit of self-help and regeneration in the community, and by the older and younger people who were making that possible. It is with that spirit of self-help that the devastation caused by the previous Government will be set aside.

Early Learning

6. **Mr. Lindsay Hoyle** (Chorley): What assessment he has made of the level of support from the voluntary sector for the early learning goals. [88969]

The Parliamentary Under-Secretary of State for Education and Employment (Ms Margaret Hodge): The Qualifications and Curriculum Authority recently published its report which analyses responses to the review of desirable learning outcomes. This shows that over 95 per cent. of respondents from across the range of sectors support the aims of the proposed early learning goals. This includes support from the voluntary sector, at 95 per cent.

Mr. Hoyle: Does my hon. Friend agree with the Ofsted report, which concluded that children do not suffer emotionally by being encouraged to achieve early learning goals, such as counting to 10 and learning the alphabet? I am sure that most parents would agree with that.

Ms Hodge: We know from the response to our consultation that most parents do agree with that. It is outrageous to suggest that children who are almost six should not be able to feel comfortable with early numbers and early literacy achievements. We will pursue those early learning goals as a way of raising standards throughout the education system.

Mr. Don Foster (Bath): The Minister's reply notwithstanding, can she explain to the House why, despite the large positive response to which she referred, the Early Childhood Education Forum—which represents nearly every organisation involved in early-years education across the country—has described the proposals as a mess and a muddle? The forum said that the goals were far too prescriptive and that there would be an early introduction of formal education which, as evidence from other countries in Europe suggests, is the wrong approach. As an example, can the Minister explain why she believes it right to have it as a goal that children by the age of six should learn to sit still, rather than that they should be able to jump on to and off a log?

Ms Hodge: I had better engage the hon. Gentleman about falling off logs—*[Interruption]*—and sooner rather than later. He was with me when the Select Committee visited Switzerland, one of the countries which engages in a more structured and rigorous approach to early-years education. It is not an issue of choosing between play and learning; nor is it an issue of over-formalising education. We are attempting to ensure—I would want the hon. Gentleman's support—that children at this early stage of their development get those skills that we know are necessary for effective learning. To ensure that that happens, we need to have the structure and rigour of a foundation stage and early learning goals.

Mr. Paul Marsden (Shrewsbury and Atcham): Will my hon. Friend join me in congratulating Shrewsbury sixth form college on the development of the new learning centre at the heart of the town, which will be open to all,

young and old, and which will be completed in September? What help is available from the Government for encouraging more community learning schemes?

Ms Hodge: A community learning fund will be available to colleges such as the one my hon. Friend described, from which they can get support for the sort of schemes that he would wish to make progress.

Mrs. Theresa May (Maidenhead): The Minister cannot simply cast aside the growing concerns about the increasing formalisation of education for children at a very young age and the increasing pressure being put on them by having to go to primary school at an earlier age and by the early learning outcomes. Is she aware of the article by Dr. Cousins, an adviser to the United Nations on early-years education, who said:

"The growing use of 'end-product activities' and 'learning outcomes' risked switching many children off learning by the age of five"?

There is a great risk that learning through play is being cast aside, as evidenced by the closure of 1,500 pre-schools in the past two years and the expected closure of 1,700 this year. Will the Minister confirm that when she claims that hundreds of pre-schools have opened in the past year, that includes instances in which the leader of a pre-school has changed address or an existing pre-school has been taken over by a new leader? Is not this just another case of fiddling the figures?

Ms Hodge: That really takes the biscuit. The increase in the number of children going into reception classes was entirely due to the nursery voucher scheme introduced by the previous Government. I wonder whether the hon. Lady really thinks it wrong for her own children, by the time they are five, almost six, to be able to count to 10, to know the alphabet, to recognise the M on a McDonald's sign and to be able to deal with simple words. If she wants that for her own children, is it not good enough for other children? Is it not about time that Conservative Members started to show some concern for the three quarters of all four-year-olds currently experiencing their nursery education in the maintained sector?

Specialist Schools

7. **Mr. Ben Chapman** (Wirral, South): What support has been given to specialist schools to enable them to increase their links with the community. [88971]

The Minister for School Standards (Ms Estelle Morris): The criteria for specialist school applicants provide clear guidance on their community role. From September, we will make available additional funding of up to £20,000 a year to support the development of links with other primary and secondary schools and the wider community.

Mr. Chapman: I join my hon. Friend in welcoming the expansion of the specialist schools programme, which includes Plessington high school in my constituency. Is not that evidence of the Government delivering on diversity, just as they are delivering on early years and on class sizes? What evidence is there of successful achievement by pupils in the specialist schools?

Ms Morris: I thank my hon. Friend for his comments and congratulate Plessington on being designated a specialist school. It is indeed an example of the Government modernising the comprehensive principle. There were 200 specialist schools when we took office and we have found additional resources so that there will be 800—one in four secondary schools—by 2002. We have ensured that they share their resources and expertise with other secondary and primary schools in the area so that we can raise standards for all children, not only a few. I know that all hon. Members will welcome that.

Mr. Michael Jack (Fylde): The former Lytham St. Anne's high school in my constituency has taken on the specialist role of a technology college, but unfortunately it faces problems with its second round funding application. It was led to believe that £100 per capita would be available in the second phase, but it is now affected by a new policy that appears to impose a cap. Will the Minister assure me that an official from her Department will make early contact with the headmaster, Mr. Michael Payne, to review the situation and get a first-hand briefing on the problem?

Ms Morris: There are no new criteria. The financial arrangements for the second round were made clear some time ago. The specialist schools receive considerable extra money. There is matched funding of £100,000 for capital work and up to an additional £100,000 to provide for revenue work both for the schools' own students and for others. I have every confidence that the school in the right hon. Gentleman's constituency will use the money to good effect to raise standards for its students and those in the neighbouring schools.

Mrs. Anne Campbell (Cambridge): Will my hon. Friend investigate the unwillingness of the Conservative-controlled Cambridgeshire local education authority to match the Government's standards fund to provide literacy classes for parents in my constituency? Those parents will miss out on a valuable source of funding that the Government want to use to raise standards.

Ms Morris: I share my hon. Friend's concern about that. In the drive to raise literacy standards for children, it is just as important to work with their parents. Much of the money made available by the Government for the literacy strategy should be taken up locally, and I very much regret the action of the Cambridgeshire authority. If it had decided to passport the money that the Government have made available for schools, it would not have had to make the decision that it has made.

Mr. James Clappison (Hertsmere): Given that specialist schools involve a measure of selection, will the Minister take this opportunity to say whether the Government still believe the assurance given by the Secretary of State to the constituents of the hon. Member for Wirral, South (Mr. Chapman) in the by-election there in 1997? That assurance was given in a Labour publication and was headed "Grammars are safe with Labour". The Secretary of State said:

"There's no threat to the continuance of the grammar schools or to their ethos or their quality. I'm very keen to level up."

Does that assurance stand?

Ms Morris: I look forward to the day when the hon. Gentleman asks a question that does not refer to the

161 grammar schools, but is about the 24,000 other schools that make up the rest of the English state system. My right hon. Friends the Prime Minister and the Secretary of State have made the Government's policy quite clear, both before and since the election. They have said that the decision about whether to change the admissions arrangements for grammar schools, in the Wirral and elsewhere, will lie in the hands of parents. The House knows that the last time that many grammar schools closed was under Baroness Thatcher. She did not allow parents to make that decision, but took it herself, in conjunction with local authorities. I should have thought that, on such important decisions, the House would welcome the fact that we are asking those whose lives will most be affected.

Literacy Hour

8. **Mr. Colin Burgon** (Elmet): What representations he has received from schools regarding the literacy hour. [88973]

The Secretary of State for Education and Employment (Mr. David Blunkett): The latest survey shows that 90 per cent. of head teachers welcome the literacy hour and find it extremely valuable and useful in transforming the life chances of children. This week, Ofsted said that the project was an important catalyst in the majority of schools in tackling deep-seated problems with literacy. We are very pleased that the literacy hour is making such a difference. We shall go forward to ensure that, despite the legacy that we inherited, our children will be able to read, write and add up at the age of 11.

Mr. Burgon: I thank my right hon. Friend for that comprehensive answer. He will be interested to know that I recently visited St. Edward's primary school in Boston Spa in my constituency, which achieves high standards. Its head teacher, Mark Brennan, was especially keen to stress how the literacy hour will serve to drive up standards further. Several other head teachers in my constituency have said the same, so it is clear that the literacy hour is an outstanding success. Will my right hon. Friend take this opportunity to praise the teachers and the non-teaching assistants who have worked so hard to deliver this good news story for us all?

Mr. Blunkett: Yes, I shall take this opportunity to do just that, with cross-party support. We thank Lord Putnam, Lloyds TSB and all the others who have worked so hard on the national awards. We also greatly appreciate the fact that, at 7 pm on BBC1 this Sunday, the BBC will publicise the excellence of teachers and the good work that is being done. We can all celebrate what is happening in our classrooms. For the excellent work of our teachers and non-teaching staff we say, "Thank you."

Mr. Stephen Dorrell (Charnwood): There are many thousands of good teachers in our schools, and improvements in the attainment of literacy standards are welcome. However, how can teachers take seriously the Secretary of State's protestations about the importance that he attaches to their professional status when his Department is issuing guidance that tells them how to use every 10 minutes of the literacy hour? Should he not concentrate on setting standards and targets rather than trying to tell teachers how to teach? If he really believes in the professional status of teachers, should he not be leaving teaching to those best qualified to do it?

Mr. Blunkett: One section of the right hon. Gentleman's party has just denounced targets, and he welcomes targets but not the means by which to reach them. We need a strategy that provides a framework and the resources to back it up, and we have provided £55 million. We need teacher training to make the strategy achievable, and added support for pupils, which youngsters themselves have welcomed, for activities which, in the past, only the rich could afford in the Easter holidays or at weekend. We also need to ensure that teachers have the professional judgment to make appropriate adjustments on the principle of inverse proportion to success. Where intervention is not needed, we will stay out, but where it is needed, we will intervene.

Mr. Malcolm Wicks (Croydon, North): Does the Secretary of State recognise the sad irony of our having to address basic literacy as we approach the 21st century when the problem had been identified by Parliament at the end of the 19th century? Children enjoy the literacy hour in my constituency, but does the Secretary of State recognise that both for children with high ability whose reading standards are high and for those who may struggle with reading, some flexibility may be needed in the hour?

Mr. Blunkett: As part of our development for gifted children and our extension of what is available in the school, rather than outside the neighbourhood, we shall issue specific guidance. This week's Ofsted report said that struggling children, and the average, had benefited greatly from the structure that we have provided. The additional boost to classes had transformed their life chances, and not simply those of the children who were coasting or doing well. Our strategy is helping those who, in the past, would simply have been abandoned to entering adulthood without being able to read and write properly and who would then have formed the cohort so graphically identified by the Moser report a few months ago.

Dr. Julian Lewis (New Forest, East): Is it not perfectly obvious that one way in which to assess the efficiency and effect of the literacy hour, and to drive up standards, would be to publish the results of tests held at age seven? Does the Secretary of State recall his feeble answer in yesterday's education debate when I put it to him that he had been hurt by criticism that too much bureaucracy was being placed on schools? Can he explain how it would add to the bureaucracy affecting schools if local education authorities and his Department ensured that those results were published?

Mr. Blunkett: I answered the hon. Gentleman's question last night. It is a pity that he either did not hear me, or cannot remember it.

Dr. Lewis: I have just read it in *Hansard*.

Mr. Blunkett: I am pleased that the literacy hour has enabled the hon. Gentleman to look up the answer this morning. My answer remains the same. He cannot in one

breath ask us to relieve pressure, reduce bureaucracy and spend less on centralised collection, collation and publication of data, while in the next breath demand the opposite.

Miss Melanie Johnson (Welwyn Hatfield): Does my right hon. Friend agree that we can build on the excellent progress that schools are making on literacy and numeracy by using electronic conferencing and the information communication technology that the Government are putting into schools for professional development of teachers?

Mr. Blunkett: The database that is being compiled and the way in which the standards site is now working are enabling people to spread best practice, and to share what they have found to work well—rather than merely what is offered by the framework. That also provides them with the wherewithal to support integrated learning systems, which are most important for underachievers. I am extremely pleased that the Under-Secretary of State for Education and Employment, my hon. Friend the hon. Member for Norwich, South (Mr. Clarke), is taking forward the development of the national grid for learning; a concept that did not even exist as a twinkle in the eye of the Conservatives—never mind the £1 billion that we are spending on it.

Specialist Schools

9. **Dr. Howard Stoate** (Dartford): How many schools have been designated specialist schools since May 1997. [88974]

The Minister for School Standards (Ms Estelle Morris): Since May 1997, 196 schools have been designated, bringing the total to more than 400. That is a considerable achievement and puts us on course to reach our target of 800 by 2003.

Dr. Stoate: I thank my hon. Friend for that most satisfactory reply. In my Dartford constituency, there are three highly popular and successful specialist colleges: Dartford grammar school—a language college; Dartford West school for girls—a technology college; and the Leigh city technology college. Does my hon. Friend agree that a sports college in Dartford would complete the learning community, and would add to genuine choice and diversity for parents in my constituency?

Ms Morris: I congratulate my hon. Friend on taking every opportunity to push the cause of his constituency. There are nine specialist schools in his county. A sports college would complete the set; our vision is that there should be several schools of each specialism in every local authority area. I look forward to receiving applications for specialist sports status, but I know that my hon. Friend would not want me to prejudge such applications.

New Deal (Disabled People)

10. **Ms Helen Southworth** (Warrington, South): If he will make a statement on the progress of the new deal for disabled people. [88975]

The Parliamentary Under-Secretary of State for Education and Employment (Ms Margaret Hodge): The new deal for disabled people, currently being piloted, is making good progress. Although the journey towards work will take many months for many in that client group, I am pleased to report that, by the end of May, a total of 472 people had already been placed in jobs.

Ms Southworth: I thank my hon. Friend for that answer. Does she agree that this is the ideal time for employers in large, medium and small companies to review their recruitment, and to take advantage of the benefits to their companies of employing people with disabilities? I am holding discussions with employers in my constituency. What is my hon. Friend doing to encourage employers, nationally, to seize that opportunity?

Ms Hodge: We are working with many employers so that they can recruit from the widest possible pool of talent, including people with disabilities. For example, in Manchester, where we are running a disabled person pilot, Centrica has employed 50 people with disabilities, and carers. B and Q is another large employer, which has put disability in the mainstream, in respect both of employment and the supply of goods and services. In the Thurso scheme, we are working with employers; 30 people are now in work, who were—between them—unemployed for a total of 194 years. One third of those people had been unemployed for more than nine years and some of them had been unemployed for more than 20 years. That example demonstrates the importance of the scheme for getting disabled people into work.

Mr. Paul Keetch (Hereford): I add the congratulations of Liberal Democrat Members to the hon. Member for Buckingham (Mr. Bercow) on his position on the Opposition Front Bench. I am not sure whether he is in the gateway period, but, given the rather high staff turnover in the Conservative education team, perhaps his job is not too long term.

What is the benchmark for the success of the new deal for disabled people? Given that, before the introduction of the new deal, 21 per cent. of those disallowed incapacity benefit had found full-time jobs within six months, does the Minster accept that the new deal will have to do better than that if it is to be judged a success?

Ms Hodge: We are being extremely careful in rolling out the new deal for disabled people to ensure that we find out what works before there is a national roll-out. It is a complex area of policy development, given the broad spectrum of disabilities with which we are coping and the real barriers to employment faced by many disabled people. We shall review that benchmark at an appropriate time, but I am sure that the hon. Gentleman agrees that it would be wrong to set inappropriate targets without learning what works.

Miss Anne Begg (Aberdeen, South): I am sure that my hon. Friend is aware of the concerns of a number of disabled people: that they will be called in for interview; that they may be unable to gain access to the building; that the adviser will be insensitive to their needs; and that

they may be placed in a job that they cannot do. What measures is she taking to ensure that such concerns are properly addressed?

Ms Hodge: The new deal for disabled people is a voluntary programme. So far, we have managed to engage more than 3,000 people in the programme following their first interviews, and nearly 2,000 are implementing a focused employment action plan.

We are taking a number of steps to ensure that disabled people see this as an opportunity. For example, the implementation of part III of the Disability Discrimination Act 1995 will of itself ensure proper access to services for disabled people. The Disability Rights Commission—the legislation to establish it completed its passage through the Commons last week—will also provide a vehicle to support the rights of individuals.

The opportunity to work is a crucial civil right for disabled people. I say that on the basis of my meetings with disabled people. That opportunity restores their self-esteem, their sense of value and their self-confidence. It is vital, and it is something that we intend to pursue.

Mr. Tim Boswell (Daventry): It is common ground in the House that the employment of persons with disabilities requires a good deal of care, sensitivity and, indeed, expense. In the light of what the Minister has said, will she confirm that all personal advisers will have expertise, or access to it, in regard to the particular disabilities—or complex of disabilities—of people seeking employment? Does she share the view of the disability charities that the balance between expenditure on the new deal for the disabled and the new deal for young people may require some re-examination?

Finally—in the light of what she said about pilot schemes—will the Minister confirm that the new deal for the disabled is on target for the plan to roll out nationally on 1 April next year?

Ms Hodge: First, let me welcome the hon. Gentleman to the Front Bench. I think that this is the first occasion on which I have had the pleasure of engaging him in debate on disability rights, but I welcome him back to the Front Bench—although nowadays it is the Opposition Front Bench.

Personal advisers receive training in respect of all the new deals, and the disability organisations are involved in the training that we provide for personal advisers in all the employment programmes in which we are engaged. As for the amount of money that has been set aside, the new deal for disabled people is only one part of our employment programme to help disabled people to obtain work. Last year, the Employment Service helped nearly 100,000 disabled people to gain employment.

Are we on target for rolling this out nationally? Let me repeat what I said earlier: my view is that we must get this right before we roll it out nationally. I will not be stuck with a date if we have not established what works in terms of securing opportunities for disabled people to obtain work.

Mrs. Theresa May (Maidenhead) *indicated dissent.*

Ms Hodge: Let me tell the hon. Lady that I consider this to be one of the most exciting, innovative initiatives that we have launched. It gives disabled people opportunities, and it is not a subject for cheap gibes.

Jobseekers

11. **Dr. Stephen Ladyman** (South Thanet): What steps his Department is taking to ensure that people receiving jobseeker's allowance meet their responsibilities of looking for work and improving their employability. [88977]

The Minister for Employment, Welfare to Work and Equal Opportunities (Mr. Andrew Smith): Everyone receiving the jobseeker's allowance signs an agreement on the steps that they will take to find a job. That is monitored fortnightly by the Employment Service. If people do not meet their responsibilities to be available for work and look for jobs, they can lose their benefits, but the overwhelming majority want jobs—and, under the present Government, more and more are obtaining jobs.

Dr. Ladyman: I thank my right hon. Friend for his answer, and commend his efforts to encourage people to find work. May I put it to him, however, that one of the barriers confronting unemployed people who are trying to improve their employability is the fact that so many of the training funds that are available are still focused on people who are already in work, or on employers and their new recruits, rather than on those who are out of work? That strategy is clearly inappropriate in areas of high unemployment such as my constituency. What does my right hon. Friend intend to do about this serious problem?

Mr. Smith: As we develop the new deal and implement the continuous improvement strategy, we shall involve employers to a greater extent in pre-employment training programmes. Training that is detached from workplace experience is far less effective than training in conjunction with a job or an opportunity for work experience. The evidence from the new deal shows that, as does all the evidence and evaluation of training for work. Employers such as Stagecoach who operate pre-employment training through the new deal are both finding a ready source of good recruits and helping many people who had given up on the prospect of getting a job back into the workplace.

Utilities (Job Creation)

12. **Mr. Tim Loughton** (East Worthing and Shoreham): What estimate he has made of the number of new jobs created by utility companies since 1 May 1997. [88978]

The Minister for Employment, Welfare to Work and Equal Opportunities (Mr. Andrew Smith): The number of employee jobs in the electricity, gas, water supply and telecommunications industries in Great Britain increased by 2,000 to 342,000 between March 1997 and March 1999.

Mr. Loughton: I am grateful to the Minister for those figures, but I wonder what work his Department has done to monitor which is more successful in creating real jobs more cost effectively: the utility companies or the new deal. May I refer him to an example from my own constituency? A local electricity company has so far created 500 new jobs in building a new gas-fired power station, despite the Government's moratorium on gas-fired power stations. Half of those 500 new jobs are guaranteed to employ local people, yet, according to the

last count, only 67 new jobs have been created under the new deal in the whole of West Sussex. Which is the more effective creator of new jobs?

Mr. Smith: Of course businesses generate jobs. The task of the new deal is to equip people with the skills to fill those vacancies. Of the net increase of 2,000 jobs in the utilities industries that I just mentioned, 230 are new-deal subsidised, and there will be many more unsubsidised jobs in the total. As for the record of the new deal in the hon. Gentleman's constituency, he might like to pay tribute to the efforts of local people, who have secured a 65 per cent. reduction in long-term youth unemployment in his area. That is testimony to the success of the new deal and the way in which it works in partnership with utilities and other businesses.

Class Sizes (Leicestershire)

13. **Mr. Andrew Robathan** (Blaby): If he will make a statement on the average class size for children aged seven to 11 years in Leicestershire. [88979]

The Parliamentary Under-Secretary of State for Education and Employment (Mr. Charles Clarke): In Leicestershire, the average primary class has fallen from 26.9 to 26.7 between January 1998 and January 1999. The key stage 1 average has fallen to 25.3 compared to 25.8 last year, and key stage 2 classes average 28.0 compared to 27.8 last year. The number of pupils in primary classes of more than 30 has also fallen, from 14,984 to 14,551.

Mr. Robathan: It is therefore obvious that class sizes are going up for those aged between seven and 11. It is said:

"the rhetoric is of much greater funding but all the announcements of extra government money for education are meaningless to us in Leicestershire . . . we do not have enough money to pay for the teachers we need or to improve the learning environment."

Those are not my words, but those of the head teacher of a school that takes children at 11—Winstanley high school in my constituency. The school needs 1.2 extra teachers for that age group, but it has less money than it had before:

"It is not convincing for this government . . . to blame the Local Authority . . . The SSA is fundamentally inequitable."

From the tone of her letter, I suspect that that teacher is not a Conservative supporter. She asks:

"Why should a child at school in Leicestershire have so much less money spent on her or his education than a child living elsewhere"—

such as, for instance, the Labour-controlled city of Leicester next door?

Mr. Clarke: I am glad that the hon. Gentleman invites me to address the question of Leicestershire. The county's LEA received almost £1.5 million this year to fund 57 extra teachers and build six extra classrooms to enable it to reduce infant class sizes. The funding that we are providing will enable the LEA to reduce the number of infant pupils in large classes from 3,146 in September 1998 to 2,630 in September 1999. The LEA has said that it will implement the policy in full by September 2000.

I am sure that the hon. Gentleman will be delighted to know that, when we compare Leicestershire with other parts of the country, we find that the average class size in that county is less than the average for England as a whole, and that Leicestershire has more children in smaller classes than the England average. That is a good record of which the Government can rightly be proud, and I wish that, rather than nit-picking from the edge, he would join us in celebrating that.

Mr. Andrew Reed (Loughborough): I welcome the figures that the Minister has announced today. The hon. Member for Blaby (Mr. Robathan), who, before the election, was opposed to reducing class sizes, has been heard in the House on many occasions denigrating the work that has been done. However, will the Minister take seriously the hon. Gentleman's point about the standard spending assessment and Leicestershire's funding? We have a double problem in that not only is the SSA less than those in other parts of the country—I am sure that the difference will be made up in the coming years—but there is a shortfall of £1.5 million that the LEA has received from the Department but not passed to local schools. Will the Minister ensure that, in future, moneys provided by the Department to the LEA go to schools to ensure that targets are met?

Mr. Clarke: I take very seriously representations on SSAs because they concern many issues that have been raised in Leicestershire and other parts of the country. I take even more seriously the issue that my hon. Friend mentioned about passporting the money. That is why, about 10 days ago, we published data setting out exactly what every local authority is doing, and that will enable a proper assessment to be made.

Post Office

12.32 pm

The Secretary of State for Trade and Industry (Mr. Stephen Byers): Madam Speaker, I should like to make a statement on the Post Office White Paper, which the Government published today.

The White Paper sets an agenda for the Post Office to offer a world-class service for the 21st century. Today's announcement is good news for the Post Office and all those whose livelihoods depend on it, because it can now build for the future with real confidence. It is good news for the Post Office's millions of customers, who will benefit from improved services from a new, modernised Post Office and from greater competition for postal services.

The White Paper brings an end to the uncertainty that has dogged the Post Office over the last decade: uncertainty over its role and place in society; uncertainty over its long-term viability and ownership; uncertainty over the universal service obligation; and uncertainty over the Post Office network. Today, we provide certainty and a new sense of direction and purpose based on modernisation and reform.

Throughout the world, postal markets are changing at an increasingly rapid rate. Globalisation of postal services, the growth of faxes and e-mail, more demanding customers and greater liberalisation of markets are driving change as never before. It is a question not of whether markets will become more competitive, but of how far and how fast that will happen.

The Post Office already faces fierce competition, not only from private sector couriers but from other post offices throughout Europe and from the internet. I know that the Post Office management views change and greater competition as an opportunity, not a threat. It is an opportunity to enter new markets and to overhaul the Post Office's business processes. It is an opportunity for new ventures and new alliances. It is an opportunity to prove that the Post Office can compete against the best in the world, and do so successfully.

To compete effectively and fulfil its potential, however, the Post Office needs greater flexibility. If it is not given greater freedom to expand into wider and international markets, it will find itself confined to a diminishing sector of the postal market, saddled with falling value and shrinking profits.

That is why, in this White Paper, the Government are mapping out the most radical set of reforms since the modern Post Office was created in 1969—reforms that will ensure that the Post Office can provide the services that we need in the 21st century.

The White Paper proposes that the Post Office be subject to effective market disciplines coupled with regulation, and be allowed new commercial freedoms. Operating at arm's length from Government, it will have the freedom to grow and the means to succeed.

Existing mail services will be maintained and, indeed, strengthened as, for the first time, the universal service obligation, including the requirement to deliver to all addresses, will be laid down in law. That will guarantee a uniform tariff for those services. The cost of a stamp will be the same, regardless of the distance of delivery. I am pleased to confirm that the free service for visually impaired people will continue.

Stronger competition and better regulation will work together to keep prices down, and improve service quality and consumer choice. As part of the balanced package that we are bringing forward, greater commercial freedom must be matched with some liberalisation. The White Paper, therefore, proposes a reduction in the monopoly from the present £1 limit to 50p or 150 g with effect from 1 April 2000.

A new independent postal services regulator will promote consumer interests, regulate prices and ensure that the Post Office provides a high level of service to all households and businesses. Consumers' views will be championed by a greatly strengthened Post Office Users National Council, which will have the power to refer poor performance by the Post Office to the regulator and will be able to recommend the levels of fine to be imposed for bad service.

The Post Office Counters network, which plays such a valuable role in local communities, particularly for the less mobile, will be strengthened by our decision to put the Horizon project back on track.

We shall equip all 19,000 post offices with a modern, on-line computer system. It will enable the Post Office to modernise and improve the service that it gives to existing clients and customers, and to win the new business on which the future success of the post office network will depend.

For the first time, the Government will lay down minimum criteria to ensure that everyone in the United Kingdom has reasonable access to post office counter services, particularly in rural parts of the country and areas of social deprivation. The new regulator and the users council will monitor the network against those criteria.

We have agreed arrangements with the Post Office for maintaining a network of Crown offices, which will handle at least 15 per cent. of total counters business. Where appropriate, new Crown offices may be opened.

Although the Government will set out clear objectives for the Post Office, they will not be involved in day-to-day business operations. The Post Office Board will be responsible for running the Post Office, based on a rolling five-year strategic plan, which will be agreed with the Government. Clear duties, real powers and necessary resources to promote consumer interests will be given to the independent regulator and the users council. Annual reports will be published by the Government, the Post Office, the regulator and the users council on their roles and performance during the year.

We shall implement as much of this package as possible through administrative action and secondary legislation. However, primary legislation will be needed, as soon as parliamentary time permits, to complete the full package of reforms.

Primary legislation will be necessary to transform the Post Office into a public limited company. That will underline the new commercial freedoms and help to establish clearly the separate functions of ownership and management, by subjecting the Post Office to the full range of company law. In particular, the directors will owe their duty to the company, not directly to the Government.

There have been suggestions from some quarters that this is part of a plan to privatise the Post Office by stealth. There are no such plans. As we stated in our manifesto—

and we keep to our manifesto commitments—we intend to provide commercial freedom, while retaining the Post Office in public ownership.

I can therefore inform the House that the Act of Parliament to create the Post Office as a public limited company will make it clear that we would not seek to dispose of Post Office shares without further primary legislation.

As my predecessor's statement on 7 December made clear, we cannot ignore the possibility that the Post Office might wish to enter into a joint venture or strategic alliance with another company, and might wish to cement this with a limited sale or exchange of equity. In such cases, it would not always be sensible or practical to seek parliamentary approval through a separate Act of Parliament. However, I can assure the House that any such proposal would be debated and voted on in both Houses of Parliament.

To ensure that the Post Office can compete in the fast-moving domestic and international postal market, we will give the Post Office the greater commercial freedom that it has long desired. That will help the Post Office to be more competitive; and more responsive to market developments and evolving customer demands.

The Government's financial demand on the Post Office will be reduced to match commercial dividend rates. From April next year, it will be cut to 40 per cent. of post-tax profits—more than half the rate at which profits have been removed from the business in recent years. That will be worth an estimated £150 million a year—money that will go directly to the Post Office.

We shall also allow the Post Office to borrow at commercial rates for growth investments—up to £75 million a year without approval from the Government. That will give the Post Office greater freedom to enter into acquisitions, joint ventures, alliances and partnerships. However, the Government recognise that the Post Office has been starved of resources as a result of the previous Government's approach. The Post Office cannot wait until April next year for the additional resources necessary to ensure that it can compete in the modern postal market. We therefore intend to take action immediately.

I am pleased to inform the House that, in this financial year, we shall reduce the Government's financial demand on the Post Office to 50 per cent. of post-tax profits, and we shall also allow borrowing of £75 million. That will provide an immediate cash boost to the Post Office of £175 million. Taken together, our proposals for greater commercial freedom will bring an extra £600 million into the Post Office over the next three years.

I am confident that the White Paper maps out for the Post Office a future that will allow it to compete and win. We have a clear vision of a British Post Office that is world class and will be among the most successful in the world. The White Paper gives the Post Office management the commercial framework that it needs to turn that vision into reality. It is now up to management, in partnership with the work force, to respond to the exciting challenges ahead. The White Paper will put right the neglect of the past and deliver a Post Office fit for the 21st century. I commend it to the House.

Mrs. Angela Browning (Tiverton and Honiton): I must thank the Secretary of State for making the White Paper available to me at midday. He will forgive me for saying that I had a sense of déjà vu during his statement; indeed, at one point I had a vision of "Him Tarzan, me Jane."

This long-awaited and much-leaked White Paper has finally seen the light of day after two years of new Labour government. It has been passed like a parcel between the Treasury, which wants to privatise the Post Office, and the trade unions, which still have power in the Labour party. That was shown clearly this week in a letter from the general secretary of the Communication Workers Union, which was initially addressed to all Labour Members of Parliament, but was then circulated by them to the Conservatives. The general secretary said:

"I thought the days of finding it necessary to write to Labour MPs about the future of the Post Office had gone . . . In view of the . . . promises made by the Labour Party and the government in respect of the future of the Post Office, we looked to a rosy future for the Post Office".

Today, we read in our newspapers of the threatened strike action that has resulted from the Secretary of State's announcement.

The Secretary of State has inherited a dog's breakfast from the right hon. Member for Hartlepool (Mr. Mandelson), who retreated from full privatisation in the face of union opposition, so today we have a third way: Labour will not give the Post Office full commercial freedom, and a question mark remains over the future of rural post offices. The Government could have freed Royal Mail completely, while building in minimal standard safeguards to protect universal next-day delivery. They could have ensured the viability of rural post offices by introducing the planned payment of benefits through swipe cards, but they cancelled that proposal in May. Post Office revenue will drop by 30 per cent. and the Government will, yet again, have dumped the cost of administering the payment of benefits on to the small business sector.

Our Post Office is the most efficient in the world, and it should be given the chance to compete freely, but the White Paper is a mucky compromise between new Labour and old Labour. That is well summed up in a quote in the *Financial Times* of 2 July from a Minister, who said:

"It's a long way from full liberalisation, which some of us would like."

The Secretary of State said that the White Paper sets the agenda for the Post Office to offer a world-class service for the 21st century. Post Office plc will not do that, as the Government must know. I predict that the Post Office will be fully privatised in the 21st century, because what we have before us today is clearly a temporary compromise that simply paves the way for further developments.

Many questions arise from the White Paper and I should be grateful if the Secretary of State would address as many of them as possible. May I deal first with matters pertaining to the Royal Mail? The plc will be subject to company law, as he said. Will the Government allow it to go bankrupt if it does not manage its financial affairs properly, or will they step in and underwrite the £75 million borrowing facility?

If the Government are prepared to do that—we should like a specific answer—anyone who lends will be lending virtually risk free, which, in other words, is a gilt-edged security. Would not that create a strong competitive advantage over other companies in the marketplace?

[Mrs. Angela Browning]

[HON. MEMBERS: "Stupid question."] It is not a stupid question. They would have to attract lending, despite all the attendant risks of the marketplace.

The Secretary of State referred to borrowing of up to £75 million with permission. How much will the Post Office be allowed to borrow in addition to that, with approval? Has a limit been set? Will the Government include Post Office plc borrowing in their debt totals, or is that another bit of borrowing that will be tucked away in the figures that nobody can find? Will the existing Post Office Counters network be free to handle any accounts for mail over 50p? With the reduction of the external financing limit to 50 per cent., will the £1 billion cost of Post Office automation be funded from its profits over several years?

What will trigger a share swap or purchase using shares? Can the Secretary of State set out the timetable, given that he has already identified that primary legislation will be needed? If the Post Office were approached for such a deal, the time scale involved in getting legislation through the House would not be conducive to the marketplace. Presumably, he will announce that the Government will make this a priority in terms of Government time and legislation.

May I turn to matters that affect the regional network of post offices? First, do the Government intend to retain Crown offices? How will the automatic credit transfer be funded? Each post office will now be required to set up a connection with a person's bank, so that the benefit can be transferred from the bank to the post office and the individual can collect it in cash. Who will fund the cost of that?

Do the Government intend to deliver more services via the Post Office network? We have recently had the announcement that post offices are to be included in the delivery of passports, and we all know of the crisis that the Government have created in the passport service. Will the Secretary of State identify in the White Paper market opportunity where the Post Office can make up the 30 per cent. revenue drop that it will experience as a result of the automatic credit transfer system? How will people without bank accounts, or those who are prevented by law from holding bank accounts, be able to access cash payments through the Post Office network? What constraints will be applied to post offices after automation in terms of their freedom to use automation to offer other services, for example, ticketing? What constraints will there be in terms of the marketplace and the range of other services that the Post Office would like to be able to deliver?

Mr. Byers: We all listened with interest to find out the Conservative approach to the measures contained in the White Paper. The conclusion that one reached is that the Conservative party wants to move to the immediate privatisation of the Post Office.

Mrs. Browning *indicated assent.*

Mr. Byers: I see that the hon. Lady is nodding in agreement. I am sure that many will note that with interest. The Government's package is balanced. It matches commercial freedoms with liberalisation, but within the public sector. We believe that is the correct approach to take.

The hon. Lady asked about the power to borrow money. The borrowing of up to £75 million a year will not require Government approval. Government approval will be necessary for borrowing in excess of that sum. We make it clear that the Government will approve Post Office borrowing for investment cases that are consistent with the strategic plan, commercially robust and pose no undue risk to the taxpayer. That is the approach that we shall adopt.

The hon. Lady asked what would happen if the Post Office became bankrupt. That is an interesting approach for the Conservatives to take, because it was under their stewardship that the Treasury took 93p in the pound from Post Office profits. It is worth reminding people of that fact.

We believe that we should have the package that we are putting before the House today. It ensures the universal service below 50p—the same price for delivery anywhere in the country—and there needs to be compensation for achieving that desirable objective. We make no apology for putting in place the policies that will achieve that particular objective.

Crown offices will be established. As I said in my statement and as the White Paper states, we have agreed with the Post Office that 15 per cent. of all Post Office counters transactions should go through Crown Offices.

It is worth stressing that, for the first time in law, criteria will be established on the availability and access to post office network facilities. Those criteria will be monitored by the regulator and the new, more powerful consumers council. We expect the post office network to offer more facilities than would have been available through the benefit payment card under the Horizon project. The new Horizon project that we are developing with interested partners will provide more facilities and services through the post office network.

The response of the Conservative official spokesperson was to take a negative approach. There was no welcome for the additional £600 million for the Post Office; no welcome for the commitment to a universal service; no welcome for the additional powers to consumers and no welcome for effective regulation. That should come as no surprise. The Conservative Opposition want to wash their hands of responsibility for the Post Office, and to go for privatisation. That is not our approach. We want a balanced package, with commercial freedom and liberalisation—a Post Office fit for the 21st century.

Mr. Peter Mandelson (Hartlepool): May I warmly congratulate my right hon. Friend on his excellent statement—not least because it bears more than a passing resemblance to the original proposals in December? I want to probe him on two areas of concern to me. First, with regard to commercial freedoms for the Post Office, will he confirm that the arrangements for the procedures governing the Government's approval of Post Office borrowing remain precisely as set out by the Government last December?

Secondly, on the speed of implementation of these changes, he is right in saying that the Post Office is in great danger of slipping behind the tough international competition. It is extremely important that there is no undue delay in implementing these changes to enable the Post Office to compete, flourish and grow its business in the future. What can be achieved by means of secondary,

European-related legislation, so that the framework of competition can be put in place without waiting for primary legislation, which I suspect may be some time in coming forward?

Mr. Byers: I thank my right hon. Friend for his warm words of support for the proposals, which build on much of the good work that he carried out as Secretary of State for Trade and Industry. The Leader of the House, my right hon. Friend the Member for Derby, South (Mrs. Beckett), was also Secretary of State for Trade and Industry, and as she chairs the Cabinet Committee dealing with future legislation, I hope that, when it comes to the need to find a parliamentary slot for primary legislation, she will be persuaded by the strong case made by my right hon. Friend the Member for Hartlepool (Mr. Mandelson).

However, progress can be made without primary legislation. We can introduce further liberalisation through an order, and we can develop the powers of the regulator through secondary legislation, although not with the full range of rights and responsibilities that we shall ultimately provide. Thus some steps can be taken.

On the important point of commercial freedom, I confirm that the mechanism referred to by my right hon. Friend remains unchanged. The procedure that he agreed when he was Secretary of State remains in place. In addition, the criteria that will be used when considering borrowing for investment will have just three aspects: it will have to be consistent with the strategic plan, commercially robust, and pose no undue risk to the taxpayer. I hope that that clarifies the position for my right hon. Friend.

Mr. Colin Breed (South-East Cornwall): First, may I add my thanks to the Secretary of State for his courtesy in providing a copy of the statement at 12 o'clock for us to see?

I broadly welcome proposals which, for some time, the Liberal Democrats have been promoting and calling for—a balance between providing greater commercial freedom and continuing to maintain, into the foreseeable future, the Post Office within public ownership.

I agree with the comments on the delays that could be involved. Clearly, if three Secretaries of State have had a hand in the matter, there will already have been considerable delay in bringing forward the proposals. If we are to wait any length of time before legislation comes before the House—clearly, opportunities have already been lost—new opportunities that may be open to the Post Office will not be taken advantage of, so it is essential that there are no further delays.

It is a balanced package, but it is also rather timid. For example, greater commercial freedoms are available now—they are certainly greater than before—but they are nowhere near as great as they could, or even should, be. On the borrowing limits that are being provided, £75 million may seem a lot of money, but, for a business that is turning over some £7 billion, it cannot be seen as a particularly huge borrowing requirement. If a business that was turning over £7 billion was likely to go bust by borrowing £75 million, something would clearly be wrong. Therefore, the borrowing limit that might be available to the Post Office of £75 million per year is not excessive.

May I make two other points—[HON. MEMBERS: "Where is the question?"] May I question two other points? The question of Crown post offices is rather confusing. They are to undertake 15 per cent. of the business and some new ones may open, but am I to understand that some could close and that there may be consolidation—some Crown post offices that are currently open may close?

In terms of the other post offices, for so long, small sub-post offices have been confined to the back of newsagents and other small stores, stuck in a corner next to a cupboard, where there is hardly any promotion. If post offices are to have new facilities and new services, and are to promote themselves in a new way, can we see a return to high street post offices with proper sign posting, to which people can go without meandering through books, knickers and everything else to buy their stamps? Post offices should be prominent on our high streets, not concealed in small stores.

I hope that, in that way, the Post Office will become a proud institution again, ready to serve its public with new services and new facilities, and will not again seek to hide itself in other places.

Madam Speaker: Order. Before the Secretary of State responds, I remind him that I heard only one question, so I hope that he will not take long to answer. I remind the House and any Member whom I call that I want a direct question to the Secretary of State. Many hon. Members are trying to get in on the statement. I want brisk questions and brisk answers, please.

Mr. Byers: I am tempted to say that, for some customers, having to go through books and knickers might be a unique selling point for the future of the Post Office network, but, on the specific question that I did hear, which was in relation to the £75 million approval, it is not a limit. A total of £75 million can be borrowed without approval. Over and above that, there can be increased borrowing, but it will require Government approval.

An arrangement was arrived at between my right hon. Friend the Member for Hartlepool and me when I was Chief Secretary to the Treasury. We agreed that nearly £300 million should be used to acquire German Parcels after the 7 December statement. That is a good illustration of how a useful alliance for a purchase acquisition can be progressed. It was a good example of how, with a fair degree of haste, because it was an important commercial decision, we could provide £300 million, or thereabouts, to allow an acquisition to take place. That will still be the case, but we will put it on a firmer footing. The post-tax dividend will be reduced; £75 million will be allowed without approval; and, over and above that, amounts of more than £75 million will be subject to Government approval. I think that that is a balanced way forward.

Mr. Tony Benn (Chesterfield): Is the Secretary of State aware that the statement that he has made today—which had all been fully released, as usual, by spin doctors and in broadcasts—will be seen by many people as stage 1 of the privatisation that the Conservative party wants; that the Post Office is the cheapest, most efficient, most popular and most advanced post office in the world; that it is a world-class post office; that, on its own, it invented the giro and introduced the national data processing service; and that the Post Office's greatest enemy has been the Treasury? From the very beginning, the Treasury has claimed that economic investment in the Post Office

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had been treated like welfare benefits, and has prevented the Post Office from having freedom which it should have had in its current position.

Given the recent statements, which indicate deep hostility to the public sector—that has been noticed by people—is the Secretary of State aware that it is not hard to believe that this is the first stage of full privatisation of the Post Office? He cannot rely on people being persuaded by the arguments that he has made today; as an old Postmaster General, they are not very persuasive to me.

Mr. Byers: There are no grounds for complacency on the Post Office. It is currently providing an excellent service—I made that point in my initial statement—but, in a dramatically and rapidly changing world, the status quo is simply not an option for the Post Office. There will have to be change, modernisation and reform. Under the proposals that I have outlined today, the Post Office will become a plc, but one that is under public ownership. That meets the manifesto commitment on which I stood, and on which my right hon. Friend stood in the 1997 general election: greater commercial freedom for the Post Office, coupled with liberalisation, but within public ownership. That is exactly what the White Paper delivers.

If, at any future date, there is a desire for the sale of shares, the matter will have to come back separately to the House for a debate and decision, when hon. Members on both sides will be able to vote on it. Today, we are delivering on our manifesto commitment to commercial freedom under public ownership. That is the way forward for the Post Office, as outlined in the White Paper.

Mr. Edward Leigh (Gainsborough): Unlike the right hon. Member for Chesterfield (Mr. Benn), may I warmly congratulate the Secretary of State on taking this historic first step on the route to privatisation? When I was working in the Department of Trade and Industry for my right hon. Friend the Member for Henley (Mr. Heseltine), old Labour Members were united in their opposition to such a step. Now, by his statement, the Secretary of State has converted them. Will he confirm that the statement goes far further than the previous Government's plans—we were talking about making only the Royal Mail a plc, whereas the Government propose to make the entire Post Office a plc?

Will the Secretary of State also confirm that there is no business of that type anywhere in the world that has not sought, and is not seeking, international strategic alliances? Therefore, is it not inevitable that some shares will have to be sold? It would be much fairer to the House if he would confirm that now.

Finally, as the Secretary of State has done so much to burnish his radical Thatcherite credentials, would he like to join the No Turning Back group of Conservative Members?

Mr. Byers: There is—

Mr. Patrick McLoughlin (West Derbyshire): Just say yes.

Mr. Byers: There is a serious issue here, and I am not quite sure that the hon. Member for Gainsborough (Mr. Leigh) took it quite as seriously as perhaps he should. We have based the plc and public ownership model for the Post Office on one that works very well in other countries, such as Australia, New Zealand, Finland and Sweden. The post offices in those countries have flexibility and commercial freedom, and are able to work in the wider national interest. We believe that Britain's Post Office can do so as well. Clearly, in due course, there will be consideration of strategic alliances and acquisitions—this is a rapidly changing world—and I specifically mentioned those considerations in my statement.

I reassert that there are no plans to dispose of shares. If legislation is brought to the House in the near future, it will contain no such proposals. Such a Bill would make it clear that, if there were any intention to do that, it could not be done by stealth. The matter would have to come back to the House for parliamentary approval.

Mr. Alan Johnson (Hull, West and Hessle): Does my right hon. Friend accept that those of us who have argued for the past seven years that it is possible for the Post Office to be given the commercial and financial freedom that it needs while remaining entirely publicly owned, this is a bit of a red letter day? I was pleased that the hon. Member for Gainsborough (Mr. Leigh) reminded us that the Conservatives were one-dimensional on the issue when they were in government: they wanted not only to privatise the Post Office but to break it up. Fortunately, they retreated from that and we are able to take the Post Office forward.

I have some concerns about the reduction in the monopoly limit. Will my right hon. Friend assure me that he will consider linking that reduced monopoly limit to the retail prices index, so that it does not just wither on the vine and erode over time? Secondly, will he ensure that there is a proper study with all interested parties before any further erosion of the reserved area that may be caused by European Union directives?

Mr. Byers: I thank my hon. Friend for his welcome for the main thrust of the proposals in the White Paper. Given his considerable personal knowledge of the Post Office and the postal service, it is helpful for the House to have his views on the proposals. I shall consider whether the reduced monopoly limit of 50p should be linked to the RPI. I think that it would be appropriate to do so. Any study into the impact and effects of liberalisation will be the responsibility of the regulator. We believe that it is appropriate to liberalise by reducing the monopoly to 50p, given the greater commercial freedom that we are introducing. The figure is pitched at a level that will ensure that the Post Office can still meet its universal service obligation. We want to increase liberalisation, but still deliver on that important commitment.

Mr. Nicholas Winterton (Macclesfield): In replying to my question, will the Secretary of State put spin and hype to one side? As a Back-Bench constituency Member of Parliament, I am concerned about the efficiency of the postal services and the cost and reliability of deliveries. My constituency has a large rural area, parts of which are remote. Will he guarantee to me that his proposals will ensure that all my constituents, even in the remotest areas,

will get a daily delivery service and that the post office facilities currently available will not be reduced in any way, but will, hopefully, be increased and improved?

Mr. Byers: When hon. Members have had a chance to see the full range of details in the White Paper, they will see that our proposals will deliver an improved service. I can confirm that the Post Office will be legally required to guarantee, on each working day of the week, a daily delivery to every address in the country, wherever it might be. Whether it is in Macclesfield or Manchester, Newcastle or Newquay, the provision will be the same. As has been said, whether it is Skye or Southwark the same obligation will apply. That will be in law for the first time. That is a good example of how we are moving forward and improving the service provided by the Post Office.

The network of counters is a real issue in rural communities. It was highlighted earlier this week in a study by the Women's Institute. For the first time, we are providing criteria for access to the facilities of the post office network. For the first time, consumers will be able to object to, and oppose, any proposal to remove such a facility from their community. We are building in new powers.

Mr. Martin O'Neill (Ochil): I congratulate my right hon. Friend and, in particular, my hon. Friend the Minister on their hard work over such a long time. This has been a long-awaited development, and the complexity of the deal is evident. Will the regulator be involved in the consideration of the universal service obligation and the network of post offices across the country? What is my right hon. Friend's view on public pay in the public sector? Will the pay arrangements of the Post Office be part of the new independent structure?

Mr. Byers: I thank my hon. Friend. Much of the work of the Select Committee on Trade and Industry—of which he is Chairman—relating to the Post Office has informed the White Paper that we are presenting today. We thank him and his Committee for that work.

We are not opting for an individual to be a named regulator; we are adopting a recommendation, with which we agree, from the review of the utilities and telecommunications regulators: that it is better to have a commission of perhaps five or six people, with someone acting as its chairman. That is the way in which we intend to regulate the Post Office. The commission will be responsible for overseeing the universal service obligation and the network.

As we move to give greater commercial freedom to the Post Office, it is important that we recognise also the social obligations that go with the Post Office in Great Britain. Having a national network is one of those social obligations that we are now consolidating as a result of the measures in the White Paper.

The Post Office will still be part of the public sector pay remit. However, we have agreed with the Treasury that there will be opportunities for greater flexibility and for incentives to be offered to people working in the postal service in the new situation in the years ahead.

Mrs. Ray Michie (Argyll and Bute): Given that there are 37 fewer sub-post offices open in Scotland now than in 1997—some of the closures are temporary—does the Secretary of State agree that any extra money from the Treasury should be channelled towards financial incentives for sub-postmasters and sub-postmistresses, whose earnings, at about £2.70 an hour, are well below the minimum wage? It is therefore difficult to get people to staff those sub-post offices. I am particularly concerned about sub-post offices in rural areas. Can the right hon. Gentleman guarantee that they will continue to pay out pensions and benefits? Many of the little villages in my area are 30 or 40 miles from a bank and there is no public transport.

Mr. Byers: The hon. Lady makes an important point. Clearly, I cannot guarantee that every post office network facility will remain in existence for the foreseeable future. However, this year, for the first time, £175 million extra has been made available to the Post Office, and that money could be used to enhance the network system. As the hon. Lady rightly said, there will be opportunities to attract people to run post offices who might not have been prepared to do so in other circumstances.

As a practical demonstration of our inclusive approach, representatives of sub-postmasters and sub-postmistresses are, for the first time, forming a working group within my Department to plan the future of the network. They are in at the ground level, and I am sure they will be arguing hard to get a better deal from the Post Office. I am pleased that, as a result of the extra £175 million this year and the £600 million over the next three years, the Post Office will now have the resources to deal with matters that are regarded as a priority.

Mrs. Maria Fyfe (Glasgow, Maryhill): I am sure that no one disagrees with the ambition that the Post Office should be as up to date as possible and ready to enter whatever new markets it likes, but why does it have to become a public limited company to do so?

Mr. Byers: There are several reasons. A public limited company is a business organisation that is recognised by the people who deal with these matters. It is a tried and tested model that works very well in postal services in other countries. In Sweden and Finland, the plcs in public ownership are very effective and progressive. The Swedish post office has just announced that it is to give a free e-mail address to every citizen in Sweden. The post offices in Australia and New Zealand are rapidly moving ahead, embracing new technology.

Perhaps most importantly, having plc status makes a clear distinction between the rights and duties and responsibilities of the directors. They will no longer be directly accountable to the Government; their primary responsibility will be as directors of the Post Office. A clear distinction between management and ownership will be important in the years ahead. I give my colleagues who have reservations about plc status the assurance that if, at some future date, there is any consideration of a disposal of the shares, there will be a separate opportunity for hon. Members to vote on that.

Mr. Patrick McLoughlin (West Derbyshire): There have been several closures of small rural post offices in my constituency. One of the biggest problems for the Post Office is recruiting new people to run small sub-post offices. Will the Secretary of State direct the

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Post Office to pay the national minimum wage to sub-postmasters for the hours for which they are contracted?

Mr. Byers: The hon. Gentleman opposed the minimum wage legislation, so he will know that all employees are covered by the national minimum wage but self-employed people are not. Perhaps unsurprisingly, there is some confusion in his thinking. We are giving the Post Office commercial freedom, so it will not be my responsibility or that of any future Secretary of State to give it orders or instructions. We are no longer in that game. Commercial freedom means allowing the Post Office to manage within the strategic plan that we agree with it.

Mr. Dennis Skinner (Bolsover): Will my right hon. Friend advocate that, when we draw up our manifesto proposals for the next general election, privatisation should not figure among them? Did he consult the trade unions, did they agree, and will any job losses arise from his statement? Does he have any scars on his back?

Mr. Byers: Having been a member of the Labour party for 26 years, I have many scars on my back, as I am sure my hon. Friend also has. The manifesto will be determined not by me but through the Labour party's normal policy-making process. The trade unions were involved in discussing the White Paper and how we can take the Post Office into the next century. They will express their views on the details that it contains. I hope that when they have studied it and seen the balanced approach that we are taking, they will feel that we have made the right decision.

I am sure that no job losses will arise from the recommendations that we are making today, for the simple reason that we are providing extra money for the Post Office. Hon. Members should not forget that we are providing an extra £175 million for the Post Office immediately, this year, and £600 million over the next three years. I hope that more people will be employed as a result of today's announcement.

Mr. Stephen Dorrell (Charnwood): The hon. Member for Bolsover (Mr. Skinner) asked about the justification for continued public ownership of the shares, and the Secretary of State has laid great stress on the new regulatory framework that he intends will ensure the continuation of universal service and protect against the abuse of monopoly by Post Office plc. When he considers whether the shares should remain in public ownership, will he speculate about the arguments that might be advanced by the hon. Member for Bolsover that they should? Will he find those arguments persuasive, or would it not be a better use of taxpayers' resources to realise their investment in Post Office plc? Would not that enable investment to be made in the creaking infrastructure of transport and schools, for which the taxpayer is directly responsible?

Mr. Byers: The right hon. Gentleman used to be a Treasury Minister, and his was one of the dead hands that used to lie on the Post Office. I do not know whether it was under his stewardship that 93p in the pound was taken away from Post Office profits. I am not in the business of speculating about the arguments that my hon. Friend the Member for Bolsover (Mr. Skinner) may put forward. He will make those arguments in his own way, and it would be inappropriate for me to comment on what they might be.

Mr. Derek Foster (Bishop Auckland): In celebrating the world-class success of the Post Office as a public business, may I congratulate my right hon. Friend on granting it greater commercial freedom in the public sector? That is essential for the Post Office's competitiveness in Europe. Is he aware that he has given enormous heart to those of us who have always believed that the public service can be modernised and made fit for the challenges of the 21st century, without the headlong rush to privatisation?

Mr. Byers: I thank my right hon. Friend, who I know follows these issues extremely closely. The proposals in today's White Paper are balanced and do not permit a diversionary argument about privatisation of the Post Office. I hope that I have made it clear, through the establishment of a public limited company for the Post Office, that privatisation is not the Government's objective. We want to give the Post Office greater commercial freedom in the public sector. That was our 1997 manifesto commitment, and the proposals in the White Paper will deliver it.

Mr. Christopher Chope (Christchurch): Will the Secretary of State say why he thinks that the Germans are fully privatising their post office? Might the reason be that they want it to be a leading global player? How does he think our Post Office will be able to compete with that?

Mr. Skinner: I thought the hon. Gentleman was against the Germans.

Mr. Byers: We managed to take a bit of the private sector German Parcels business into public ownership a few months ago. I hope that my hon. Friend the Member for Bolsover will welcome that example of the public sector taking over some of the private sector.

The decision about the German post office was a matter for the German authorities. Our job is to determine what is best for Britain. We believe that we can build on the Post Office that we have, and that a plc in public ownership is the best model to achieve the challenging objectives set out in today's White Paper.

Mr. John McWilliam (Blaydon): Why was the idea of an independently owned public corporation dropped? Was it because the Treasury operates under rules drawn up in the 1920s and 1930s? Is not it about time that it was dragged kicking and screaming into the 21st century, so that we do not have this nonsense again when attention turns to the Defence Evaluation and Research Agency, which is the next target? Finally, did my right hon. Friend see the expression on the faces of Conservative Members when he announced the formation of a plc for the Post Office? It reminded me of the look that my dog has when I leave the fridge door open.

Mr. Byers: We did consider in detail the arguments for establishing an independent publicly owned company. Much research has been done into that model, but we

found fundamental weaknesses over management and ownership issues and lines of responsibility, and we fell back on a well-known type of business organisation—the plc. We knew that concerns would be raised about public ownership, so we have given the guarantees clearly set out in the White Paper. I assure my hon. Friend that the IPOC model was considered in detail, but that we felt that it was not appropriate.

Mr. Michael Fallon (Sevenoaks): Is the Secretary of State not creating a rather messy hybrid, a sort of pre-privatisation Patco, which has the potential to abuse its dominant position? Can he reassure other communications businesses that the greater commercial freedom which he is offering the Post Office will not be fully exercised until the regulatory framework is in place?

Mr. Byers: I assure the hon. Gentleman that we need to establish the regulator to make sure that there is no abuse of the monopoly position in the area in which there is no competition. Where items cost more than 50p or weigh more than 150 g, there will be competition, and the regulator will have no role. We hope to establish the regulator by April next year to ensure that there is no abuse of the type outlined by the hon. Gentleman.

Mr. Peter L. Pike (Burnley): Will my right hon. Friend assure us that in guaranteeing the crucial network of post offices across the country, he will make it a requirement that the level and range of services must be maintained? Services must be protected for the future and developed as the Post Office changes in its new format.

Mr. Byers: My hon. Friend makes an important point. I am keen to establish a post office network that does not deal only with payment of benefits, which it does effectively, or even with extensions to passports—it should offer a range of services not currently offered. As part of our agenda for modernising Government, we should see the network of 19,000 post offices as a key to local delivery of important Government services. A working party has been set up in my Department to ensure that we modernise the network and that new technology will be made available. We have to make sure that extended services are available to meet the needs of people locally, to support local communities and to ensure the future of the network.

Mr. Peter Brooke (Cities of London and Westminster): May I ask a London question? Of the 12 postal districts in my constituency, the quality of service in two is markedly inferior to that in the other 10, for reasons, I believe, of recruitment difficulty. Will the competitive and commercial freedom and the pay flexibility of which the Secretary of State has spoken allow the new Post Office to address those problems so that, under the universal obligation, we may have equality of standards and services for customers in the same marketplace?

Mr. Byers: The right hon. Gentleman makes an important point which affects London, other cities and, as the hon. Member for Macclesfield (Mr. Winterton) said, rural communities. We need to ensure that the guaranteed level of service is met. Under the White Paper's provisions, the Post Office can be fined for failure to achieve that service. However, we want the service to work, rather than have to apply fines when it does not. When the Post Office considers remuneration packages, it will also consider how to retain and recruit postal workers, particularly in areas such as London where the Labour market is not as flexible as in other parts of the country.

Mr. Jim Cousins (Newcastle upon Tyne, Central): Many of us still have to be convinced that the public limited company route down which my right hon. Friend is taking the Post Office is the right route. Who will exercise the role and responsibilities of shareholders? Is this to be a people's company, and if so, how will that be done? Will he confirm that his proposals mean that every piece of capital investment of less than £75 million a year may require Treasury approval, while every capital investment of more than £75 million certainly will require Treasury approval? What has happened to the historic surpluses of the Post Office, amounting to almost £2 billion? Under his proposals, they seem to be parked at the Treasury.

Mr. Byers: I look forward to convincing my hon. Friend about the merits of today's proposals. To clarify matters: for the £75 million borrowing power, no further approval will be required; over and above that, approval will have to be obtained. As for the historic surpluses, they will be retained by the Treasury, but, as we have made clear, there will be changes to the balance sheet in two or three years time as we put the Post Office on to a more commercial footing.

Several hon. Members *rose—*

Madam Speaker: Order. We must now move on to the business statement.

Business of the House

1.35 pm

Sir George Young (North-West Hampshire): Will the Leader of the House give us the business for next week?

The President of the Council and Leader of the House of Commons (Mrs. Margaret Beckett): MONDAY 12 JULY—Motion to approve the Eighth Report of the Committee on Standards and Privileges.

Estimates Day [2nd Allotted Day].

There will be a debate on the office of Her Majesty's Chief Inspector of schools in England, followed by a debate on transport policy. Details will be given in the *Official Report*.

At 10 o'clock, the House will be asked to agree all outstanding estimates.

Motion to approve Ways and Means resolution on the Food Standards Bill.

TUESDAY 13 JULY—Proceedings on the Consolidated Fund (Appropriation) (No 2) Bill.

Proceedings on the Northern Ireland Bill.

Motion on the Northern Ireland Act 1974 (Interim Period Extension) Order 1999.

WEDNESDAY 14 JULY—Until 2 o'clock, there will be debates on the motion for the Adjournment of the House.

Remaining stages of the Pollution Prevention and Control Bill*[Lords]*.

Remaining stages of the Commonwealth Development Corporation Bill *[Lords]*.

Remaining stages of the Trustee Delegation Bill *[Lords]*.

The Chairman of Ways and Means is expected to name opposed private business for consideration at 7 o'clock.

THURSDAY 15 JULY—Opposition Day [18th Allotted Day]. There will be a debate on an Opposition motion. Subject to be announced.

FRIDAY 16 JULY—Motion on the Northern Ireland Act 1998 (Appointed Day) Order.

There will be a debate on policing of London on a motion for the Adjournment of the House.

The House may also be asked to consider any Lords messages which may be received.

The House will understand that there remains some uncertainty as to the business for the week commencing 19 July, but it will include:

MONDAY 19 JULY—Opposition Day [19th Allotted Day].

There will be a debate on an Opposition motion. Subject to be announced.

FRIDAY 23 JULY—Private Members' Bills.

The House will also wish to be reminded that on Monday 19 July, there will be a debate on sectors and activities excluded from the working time directive in European Standing Committee C. Details of the relevant documents will be given in the *Official Report*.

[*Monday 19 July 1999:*

European Standing Committee C—Relevant European Union documents: (a) 13526/98; (b) Unnumbered EM submitted by DTI dated 18 May 1999. Sectors and Activities excluded from the Working Time Directive; (c) Unnumbered EM. Submitted by DTI dated 21 June 1999. Relevant European Scrutiny Committee reports: HC 34-vi and HC 34-xxiv (1998–99)]

Sir George Young: The House is grateful for next week's business and for the hint as to business for the following week.

In view of the interest in the White Paper on Post Office reform, on which a statement has just been made, may we have a debate, in Government time, on the important reforms contained in that White Paper?

On Monday, when we debate the report of the Standards and Privileges Committee, will the Foreign Secretary be speaking, so that he can apologise to the Select Committee for the way in which its reports were treated, and so that he can respond to the section of the report that rejected his arguments? Will there be a Government response to the recommendations on the ministerial code, in order to avoid any recurrence of the unhappy events of last February?

On Wednesday, in Prime Minister's Question Time, may we now split the time between the Prime Minister and the Deputy Prime Minister so that the House can hear both sides of the arguments on the performance of those working in the public sector, on transport policy, on co-operation with the Liberal Democrats, and on all the other issues about which the two right hon. Gentlemen disagree?

The right hon. Lady has not announced the Second Reading of the Railways Bill, which was published yesterday, and which will now, presumably, hit the legislative buffers. Has she read today's *Financial Times*, which refers to the

"Railways Bill, which could become law before the Queen's Speech in November"?

Will she dismiss that absurd piece of spinning by the Deputy Prime Minister's Department? Will she comment on the *Financial Times* statement that:

"The Bill is important to Mr Prescott's political credibility given his earlier failure to win legislative time."?

My right hon. Friend the Member for Richmond, Yorks (Mr. Hague) made it clear that we want to facilitate the passage of the Northern Ireland Bill, to be taken on Tuesday. Will the right hon. Lady tell the House when it will be published?

Friday's debate on the policing of London will be preceded by a motion on the Northern Ireland order. We understand the reasons for that, but may we have extra time for the debate so that it is not curtailed? Will the right hon. Lady confirm that the Home Secretary will be speaking for the Government?

The right hon. Lady has not announced a debate on public expenditure. Can she, however, confirm the undertaking that has been given that such a debate will take place before the House rises for the recess? May I also renew my plea for a debate on the report of the royal commission on long-term care?

Before the end of the Session, will we be able to debate the report of the Joint Committee on Parliamentary Privilege, which was published in March?

Finally, is the right hon. Lady able to give us a date for the state opening of Parliament?

Mrs. Beckett: I make that 10 questions, but I will do my best to answer them.

I cannot undertake to find time for a debate on the Post Office in the near future, but we have announced the provision of Opposition time, which could be used to discuss a number of the issues that the right hon. Gentleman raised.

The right hon. Gentleman asked whether my right hon. Friend the Foreign Secretary would speak in the debate on the motion to approve the eighth report of the Select Committee on Standards and Privileges. The answer is no. The Government have already made clear, and will make clear again, their response to the proposals on the ministerial code. That does not require any formal statement.

The right hon. Gentleman asked me to arrange for a "script" to be discussed by the Prime Minister and the Deputy Prime Minister. Let me simply tell him that, when the leader and deputy leader of the Labour party say—as they do—that they agree with each other and admire each other's progress, they go on working together. When that happens in the Tory party, one of those involved is sacked.

The Bill to set up the new Strategic Rail Authority has been published, and will no doubt be presented to the House in due course. I cannot account for the story in the *Financial Times*, but it does not sound to me as though that story was spun by anyone: it sounds as though someone got hold of the wrong end of the stick.

I think I am right in saying that we hope and anticipate that the Northern Ireland Bill will be published on Monday. As for Friday's debate, of course I appreciate the importance of the debate on policing in London, and I undertake to reflect its importance if the Northern Ireland order takes up time. My right hon. Friend the Home Secretary will, in fact, be speaking in the debate.

I have not lost sight of the request for a day's debate on public expenditure. I shall endeavour to provide one before the recess, although I cannot undertake to provide a debate on long-term care. I note the right hon. Gentleman's request for a debate on the report of the Joint Committee on Parliamentary Privilege, and I will bear it in mind—although, as he will appreciate, we have much to deal with before the recess, and I can only undertake to bear his request in mind.

I apologise to the House: I hoped to be able to give a date for the state opening. Things are still in the melting pot, but I will give a date as soon as possible, and I hope that that will be shortly.

Mr. David Winnick (Walsall, North): Is it intended that the Secretary of State for Health will make a statement next week on the ambiguity, or loophole, in the law relating to the donation of kidneys for transplant? Is it not totally unacceptable, in any circumstances, for racist conditions to be attached to such donations? What has occurred has caused a great deal of concern in the House and in the country. Moreover, it could lead to the imposing of religious conditions in, say, Northern Ireland, in regard to Catholics and Protestants. The Secretary of State has already expressed his dismay about what has happened. I hope that it will be possible for him to make a statement in the House very soon.

Mrs. Beckett: As my hon. Friend says, my right hon. Friend has already made clear how appalled he is—and I think the whole House is appalled—by what has been reported. An investigation into how this came about was launched immediately, and we intend to ensure that it never happens again. As everyone has said, the setting of such conditions is unacceptable. I fear that I cannot tell my hon. Friend how soon the results of the investigation will be available, or whether my right hon. Friend the Secretary of State will be in a position to make a statement before the recess; but I can assure him that the matter is being looked into, with a view to ensuring that this does not happen again.

Mr. Paul Tyler (North Cornwall): Before every recess, there tends to be a big build-up of potential statements to the House. That is understandable and it is right. Obviously, while the House is sitting it should be given information if that is possible. Madam Speaker has, on a number of occasions, expressed concern about the way in which information is given to the House by Ministers, and how often—sadly—it appears to be pre-empted by statements made through the media, press conferences or other means.

May I draw the attention of the Leader of the House to one specific example, which causes great concern? In yesterday's debate, the Secretary of State for Trade and Industry said:

"when an MMC report contains commercially sensitive information, it is not the subject of a statement to the House, since the City would have notice of such a statement's being made and that might not be appropriate. That practice has been adopted by successive Governments."—[*Official Report*, 7 July 1999; Vol. 334, c. 1091.]

That is patent nonsense, because the City and everyone else was given notice that a statement was to be made by means of a planted question on the Order Paper on Tuesday, so they had far more notice that the report was to be released. The result of the present practice is that the City is given more information in advance than is necessary, because a statement is advertised to the House only at 1 o'clock, which gives us extremely short notice.

Will the Leader of the House urgently examine that practice, not only as it applies to Monopolies and Mergers Commission reports, but in the context of the general procedure for making statements to the House? Will she come back to the House within the next week to inform us of how she intends to ensure that the practice better serves the House, our constituents and the country?

Mrs. Beckett: No, I am afraid not. I certainly undertake to draw the hon. Gentleman's concerns to the attention of my right hon. Friend the Secretary of State for Trade and Industry, but, as he made clear yesterday, it is not merely a matter of a statement being made, but the content of the statement and the impact of it. As he also pointed out yesterday, the practice he followed is the one that has been identified by successive Governments as being the best way through that difficult area. Indeed, it has been followed by successive Governments for good reason.

Mr. Jim Marshall (Leicester, South): As I am a delegate from this House to the Parliamentary Assembly of the Western European Union, may I ask my right hon. Friend to arrange an urgent debate—hopefully before the new Session of Parliament in November, if not before the recess—on the future of the WEU? She will be aware that the Cologne summit resulted in the suggestion that certain of the institutions of the WEU should be folded into the second pillar of the European Union in a way that foresees

[Mr. Jim Marshall]

no continuing function for the Parliamentary Assembly. If that procedure is followed, it will lead to an increased democratic deficit, especially in foreign affairs, within the European Union, so will my right hon. Friend arrange an urgent debate on the matter?

Mrs. Beckett: I am aware of my hon. Friend's long and distinguished service with the WEU. As he says, an important proposal has been made that would have considerable future impact. I am not sure that I can undertake to find time for such a debate before the recess, although I hear what he says about wanting to explore the implications before the parliamentary Session closes. I shall certainly draw his remarks to the attention of my right hon. Friend the Foreign Secretary, who I know will share my hon. Friend's concern.

Mr. Peter Brooke (Cities of London and Westminster): Of the 37 questions for Question Time today, only one on higher education won through. Will the Leader of the House contemplate an early debate on higher education, so that we do not give that most important sector of our society the impression that the House is neglecting it?

Mrs. Beckett: I am not sure that I can find time for such a debate in the near future. I share the right hon. Gentleman's view—I am sure that the House does too—that it is a pity that, sometimes, the unintended effects of our random selection procedure mean that an area of discussion does not get its fair share of attention. However, he will have noted that we have identified time for Opposition days, so perhaps he will lobby his right hon. Friend the shadow Leader of the House on that subject.

Mrs. Alice Mahon (Halifax): Will my right hon. Friend confirm that the Government have today announced a ban on the use of lindane, a powerful insecticide used in farming to treat seeds? She will be aware of the campaign against the use of that carcinogenic substance, which can cause all sorts of problems, including hormone disruption, nervous system damage and birth defects.

There is also growing evidence linking lindane exposure to increased incidence of breast cancer. I congratulate the Government on their action, but will the Secretary of State come to the House next week to make a formal announcement of the ban so that we can raise issues pertaining to it?

Mrs. Beckett: I know that my hon. Friend has taken a great interest in and campaigned on that matter, as have others in the House, for a very long time, and I shall certainly draw her remarks to the attention of my right hon. Friend. I do not anticipate that there will be, in the near future, a particular debate in which that issue can be aired. However, I am mindful that the pre-recess debates will take place, and my hon. Friend may be fortunate in catching the eye of the Chair on that occasion.

Rev. Martin Smyth (Belfast, South): I appreciate that next week there will be a lot of business affecting Northern Ireland, but can we have an urgent debate on the role of the Parades Commission in Northern Ireland, where nationalists and Orange people have criticised it? I trust that the Government will not follow the silly middle argument that the commission must be all right because both sides are criticising it. The commission is the only semi-judicial body that I am aware of that changes its reasons for determinations and, perhaps following the House and the Government, leaks from the top down before determinations are made. Three days in advance of a determination, its agents are telling folk what is happening.

That is a serious matter and one that we are aware of in my constituency, where some years ago I offered an olive branch to those from the Lower Ormeau, as they call themselves, but it was immediately rejected. They constantly say that nobody wants to talk to them, but they, like those in Portadown, have also refused to talk.

Mrs. Beckett: I fear that I cannot undertake to find time for a special debate on that matter, although I know of the hon. Gentleman's concern about it. I recognise that there will always be difficulty about the role of the Parades Commission, which has an extremely difficult job that it strives to discharge impartially. It is, of course, a key part of its role to try to get both parties to reach an accommodation—I recognise that the hon. Gentleman referred to such efforts a moment ago—and it is only when they do not do so that the commission has to step in. When such a body operates in those circumstances, where there has already been a failure to agree, its role is bound to be a difficult one, and it is bound to come under criticism, as it does on occasion, from both sides.

Mr. Dennis Skinner (Bolsover): Was my right hon. Friend being deliberately vague about the Opposition day? I got the impression that the Tories have not been able to come up with a subject for their Opposition day.

Mr. John Bercow (Buckingham): Nonsense.

Dr. Julian Lewis (New Forest, East): Spoilt for choice.

Mr. Skinner: I heard a cry of "Nonsense" from the hon. Member for Buckingham (Mr. Bercow), who is already in the gateway, but I have to tell him that in all my years in the House I have never heard of an Opposition being unable to say within two or three days of a debate what the subject of it will be. I would hazard a guess that if the Government were declaring that they were unable to tell us what was on the agenda next week, there would be an almighty row from the Tories. Are they unable to tell us about their debate because the Leader of the Opposition is away trying to deal with the problem whether to join the fascist group in Europe or the federal group and, if the latter group is chosen, trying to get an opt-out clause so that the Tories can join the federal group but not really be federal?

Mrs. Beckett: I fear that my hon. Friend has indeed identified the nub of the problem, as he so frequently does. I am unable to give the House details of what the Opposition will debate because they have not decided that. I have not explored the precise reason for that indecision, but as my hon. Friend says, it is extremely unusual, particularly for a party that is always alleging

that people do not treat the House with enough respect. The fact that we do not know what the Conservative party intends to debate may even be unprecedented.

As for the issue of the Conservative's half in, half out membership of the European People's party, I suspect that it will be a rich seam of difficulty that my hon. Friend can mine in the future.

Mr. David Tredinnick (Bosworth): Will the Leader of the House find time—perhaps in the autumn—for a debate on the hosiery and knitwear industry? Is she aware that it faces very severe difficulties at the moment, as the closure of mechanics' courses in my constituency testifies? Despite efforts to diversify and despite tremendous work, the industry faces a decline, and there is a general feeling among workers that although the Government are prepared to support the motor industry, they ignore petitions such as the one that I presented to Parliament recently on behalf of the hosiery and knitwear industry.

Mrs. Beckett: I certainly cannot undertake to find time before the recess for a debate, although I am aware of the great concern that exists in the hosiery and knitwear industry. No Member in the House likes to hear of employment being lost, or of companies in difficulty. The hon. Gentleman knows, however, that there have been long-standing problems in that industry, and the Government have striven to work with it to secure improved opportunities and prosperity.

We shall have pre-recess debates, and the hon. Gentleman may seek to raise the matter then. I fear that I cannot find time for a special debate in the near future and cannot undertake necessarily to be able to do so in the autumn.

Mr. Paul Flynn (Newport, West): Will my right hon. Friend, as the person who was the first to foresee the scandal of pensions mis-selling in the early 1980s, support a call for a debate on a scandal of similar proportions—the scandal of mortgage mis-selling? The relevant Select Committee has called for regulation. There is a need to establish an independent advisory service for the public, perhaps fee-based but certainly separate from the need to earn commission. Is she aware that this morning's edition of *Financial Adviser* drew attention to the sacking of a man who wrote a publication known as "The Mortgage Bible", which gave invaluable advice to the public? Is there not a case for exposing the fact that the Council of Mortgage Lenders is very much a self-serving and self-interested organisation and is not serving its customers—those who borrow—who are being mis-sold mortgages on a huge scale?

Mrs. Beckett: I am grateful to my hon. Friend for his kind remarks. I well recall—as he does—the warnings that were given to the previous Government and the degree to which we, and many outside the House, urged on them that there should be some precautionary supervision of the selling of pensions. I also recall that that advice was dismissed as being unnecessary. I acknowledge that similar concern is emerging regarding the handling of mortgages, although I was not aware of the detail that my hon. Friend gave in his question. I will certainly draw his concerns to the attention of my right hon. and hon. Friends who deal with these matters, who I know will take his suggestion very seriously.

Mr. Desmond Swayne (New Forest, West): Will the right hon. Lady tell us who will deliver the business statement next week? May I express the sentiment widely felt on the Conservative Benches that neither she nor her deputy, the Parliamentary Secretary, should be victims of the Prime Minister's bid or bin directive?

Mrs. Beckett: I think that the second half of that question was meant to be friendly; if so, I appreciate it. None of us gets too excited about such stories—the silly season seems to have started early. The Prime Minister has gone to some pains to make it plain that all these stories about his close and dear and near allies are certainly not based on any conversations or any knowledge of his.

Mr. Phil Hope (Corby): My right hon. Friend will be aware that, about three years ago, there was an outbreak of legionnaire's disease in my constituency. As a result, 21 people's health was badly affected and, tragically, one man died. Is she aware that, last week, the outbreak control team, which was responsible for dealing with that outbreak, published its report on the incident, which contains several important lessons for dealing with such outbreaks not only in Corby but throughout the country?

Will my right hon. Friend make time for a debate on the subject? This is not just a Corby issue; legionnaire's disease and its potential threat to people is a national problem. In my view, we do not yet have sufficient knowledge on how to prevent or control the disease. That issue deserves the full attention of the House.

Mrs. Beckett: My hon. Friend makes an important point. I know that he has taken a close interest in the matter. The House will share the sympathy and concern that he expressed, particularly for the family of the person who died. I entirely share his view that those are serious matters, and the Government will study the inquiry's findings carefully. I cannot undertake to find time for a debate in the near future, although my hon. Friend may seek to raise the matter in one of our Adjournment debates or in the pre-recess debates. I can certainly undertake to draw his remarks to the attention of my right hon. Friend the Secretary of State for Health, who I know will share his concern that we learn, for others, the lessons of the tragedy that was experienced in his constituency.

Mr. Bercow: May I echo the sentiments of my hon. Friend the Member for New Forest, West (Mr. Swayne)? I very much hope that the right hon. Lady will deliver the business statement not only next week, but for a long time to come. She has undoubtedly discharged her obligations with great charm, style and dexterity. If I have not damned her with that, it is difficult to imagine what would do the job.

On a serious and non-partisan note, may I request an early debate in Government time on the state of the national health service. Is the right hon. Lady aware that two of my constituents, Caroline Cripps from Westcott and Marc Smith from Buckingham, have the misfortune to suffer from the relapsing-remitting form of multiple sclerosis, and that both are anxious to be reassured

[Mr. Bercow]

urgently that they will be provided long into the future with the drug beta interferon? Does the Leader of the House accept that an early debate would afford hon. Members on both sides of the House an opportunity to express their concern that that drug should in future, in accordance with what we hope is sound guidance from the National Institute for Clinical Excellence, be ordinarily prescribed, where it is judged to be clinically appropriate?

Mrs. Beckett: I am extremely grateful to the hon. Gentleman for his kind remarks. I know that he will understand when I say that I am not sure whether they will do me good or harm, but I appreciate them, as does the Parliamentary Secretary, on whose behalf I forgot to thank the hon. Member for New Forest, West (Mr. Swayne).

The hon. Member for Buckingham (Mr. Bercow) raises an important issue, which as he says is non-partisan. He mentioned that NICE is considering the matter. I strongly share the view, as does my right hon. Friend the Secretary of State for Health, that that is the right way to approach the issue. We have probably all had constituency cases that raised the matter and in which there is sometimes a dispute about whether that drug is clinically appropriate. I share entirely the hon. Gentleman's view that it is important for us to have sound advice in order to make good judgments on the matter, so that people can receive the care to which they are entitled under the NHS. I know that that view is shared by my right hon. Friend.

I fear that I cannot undertake to find time for a debate on the issue in the near future, but I shall draw the hon. Gentleman's remarks to the attention of my right hon. Friend.

Mr. Gareth R. Thomas (Harrow, West): I welcome the news that the Chairman of Ways and Means may name the City of London (Ward Elections) Bill for further consideration next week. Is my right hon. Friend aware of the special report that the Bill's Standing Committee presented to the House, which concluded that while the Bill should proceed, neither it nor the additional assurances provided for the petitioners entirely remedied the problems of governance of the City? Does my right hon. Friend agree that prior to such a debate on the Bill, sensible consideration of the conclusions of the special report by the City of London Corporation would be helpful?

Mrs. Beckett: I know that my hon. Friend was one of those who served on the Committee, which did a good deal of careful and thoughtful work. It is a private Bill, and my hon. Friend will understand that it is a matter for the Chairman of Ways and Means when such a Bill comes before the House. I know that the Committee's special report identifies a number of areas of further concern, but I believe that I am right in saying that at least some of them are outside the scope of the current Bill anyway, although it is generally accepted that they provide a useful framework for further discussion about the work of the City. There will be an opportunity to air those matters when the Bill is debated.

Dr. Lewis: May I endorse the remarks of my hon. Friends the Members for New Forest, West (Mr. Swayne) and for Buckingham (Mr. Bercow)? There are many on the Opposition Benches who appreciate the professional, competent and courteous way in which the right hon. Lady discharges her present duties. We are well aware of the way in which some members of the Labour party go about internal party business, and we sincerely hope that she does not suffer the fate of the right hon. Member for South Shields (Dr. Clark), who was subjected to a similar campaign.

On a lighter note, may we have a debate next week on the application of the Government's third way to the public services? Such a debate could obviously be opened by the Prime Minister and wound up by the Deputy Prime Minister—that is, if the Deputy Prime Minister has not wound up the Prime Minister too much already and if the Prime Minister is not too busy running scarred.

Mrs. Beckett: You will recall, Mr. Deputy Speaker, that there was a Member of the House who made almost a profession of making the most dreadful puns. I hope that that did not act as a precedent. I am most grateful to the hon. Gentleman for his kind remarks; I am becoming slightly suspicious that they are a special means of trying to persuade me to give time for debates.

The hon. Gentleman proposes a debate on the third way in the public services. I am of course aware of the many press reports about what are supposed to be differences between the Prime Minister and the Deputy Prime Minister, but all I can say to him is that I should like to use the precise words said by the Prime Minister's official spokesman about the quality of those stories. Although those words would be in keeping with the atmosphere in which we endeavour to conduct our exchanges, were I to use them I fear that I would be not only out of order, but thrown out of the Chamber for using unparliamentary language.

Mr. Nick St. Aubyn (Guildford): A statutory instrument on ministerial pay is due to be considered in Committee next week. In view of the evident fact that so many of the right hon. Lady's colleagues are not up to their job, would not it be more appropriate for the amount that they are paid to be considered by the whole House?

On behalf of a constituent with a serious immigration problem, I have written three times in three months to the Home Office. In response to all those letters, I received two replies, both of which had the same reference number and the same date. Both were signed by the Under-Secretary of State for the Home Department, the hon. Member for North Warwickshire (Mr. O'Brien). One said:

"There is no trace of the receipt of an application from Mrs K".

The other said, on the same day:

"Mrs K's application has been passed to a caseworker . . . who will make every effort to consider it as quickly as possible."

In view of the evident incompetence of some of the right hon. Lady's colleagues, may we please have a debate on the matter without delay?

Mrs. Beckett: First, I entirely reject the hon. Gentleman's suggestion that members of the Government are incompetent. One reason for our election was the visible incompetence of many of those who served in the previous Government.

My right hon. Friend the Home Secretary is here, and he is prepared to assist the hon. Gentleman if he can, but it may not have occurred to him that it is often the practice

in Ministers' offices to date letters as they are sent out. I may be mistaken about that, but it is entirely possible that those letters were signed on different days and that the same date was put on them when they were put in envelopes.

Mr. Christopher Chope (Christchurch): May I ask the right hon. Lady what has happened to the electronic commerce Bill? Will she arrange time for a debate about the folly of regional development agency boundaries? They are being used increasingly by all Departments, but are resulting in extraordinary anomalies. For example, the new learning and skills councils will be set up on a sub-regional basis, which will mean that travel-to-work and travel-to-study areas in my constituency will be divided by an artificial regional boundary between the south-east and the south-west which bears no relationship to life on the ground.

Mrs. Beckett: On the e-commerce Bill, as the hon. Gentleman and the House are aware, discussions have been continuing on the matter and I anticipate that something will come forward in due course.

On boundaries, I think that I am right in saying that those matters have not been finally settled. However, I suspect that the Government would share some of the concern that the hon. Gentleman has expressed if it were not possible to achieve as much alignment as possible between boundaries. If he has not already done so, I suggest that he should take that up as a matter of urgency with the relevant Secretary of State.

Youth Justice and Criminal Evidence Bill *[Lords]* (Programme)

Ordered,

That the following provisions shall apply to the remaining proceedings on the Youth Justice and Criminal Evidence Bill [*Lords*]—

Timetable

1. Proceedings on Consideration and Third Reading shall be taken in the order specified in the Table and completed at today's sitting; and each part of the proceedings shall, if not previously concluded, be brought to a conclusion at the time specified in the second column of the Table.

Table

Proceedings	*Time for conclusion of proceedings*
New Clauses relating to Part I; amendments relating to Clauses 1 to 13, Schedule 1 and Clauses 14 and 15.	2½ hours after commencement of proceedings on this Order.
Any New Clauses relating to the making of orders under Clause 44(5) which may be selected: amendments relating to Clauses 44 to 48, Schedule 2 and Clauses 49 to 52.	4 hours after commencement of proceedings on this Order.
Remaining New Clauses; amendments relating to Clauses 16 to 43.	5½ hours after commencement of proceedings on this Order.
Amendments to Clauses 53 to 59, Schedule 3 and Clauses 60 to 63; New Schedules; amendments relating to Clauses 64 to 67, Schedules 4 to 7 and Clause 68; Third Reading.	6 hours after commencement of proceedings on this Order.

Questions to be put

2.—(1) This paragraph applies for the purpose of bringing any proceedings to a conclusion in accordance with paragraph 1.

(2) The Speaker shall forthwith put the following Questions (but no others)—

(a) any Question already proposed from the Chair;

(b) any Question necessary to bring to a decision a Question so proposed;

(c) the Question on any amendment moved or Motion made by a Minister of the Crown; and

(d) any other Question necessary for the disposal of the business to be concluded.

(3) On a Motion made for a new Clause or a new Schedule, the Speaker shall put only the Question that the Clause or Schedule be added to the Bill.

(4) If two or more Questions would fall to be put under sub-paragraph (2)(c) on amendments moved or Motions made by a Minister of the Crown, the Speaker shall instead put a single Question in relation to those Amendments or Motions.

Miscellaneous

3. Standing Order No. 15(1) (Exempted business) shall apply to proceedings on the Bill at today's sitting: and the proceedings shall not be interrupted under any Standing Order relating to sittings of the House.

4. Standing Order No. 82 (Business Committee) shall not apply to proceedings on the Bill.

5. No Motion shall be made, except by a Minister of the Crown, to alter the order in which any proceedings on the Bill are taken or to recommit the Bill; and if a Minister makes any such Motion, the Question on the Motion shall be put forthwith.

6. No dilatory Motion shall be made in relation to, or in the course of proceedings on, the Bill except by a Minister of the Crown; and if a Minister makes any such Motion, the Question on the Motion shall be put forthwith.

7. The proceedings on any Motion made by a Minister of the Crown for varying or supplementing the provisions of this Order shall, if not previously concluded, be brought to a conclusion one hour after they have been commenced; and Standing Order No. 15(1) shall apply to those proceedings.

8. If at today's sitting a Motion for the Adjournment of the House under Standing Order No. 24 (as that Standing Order has effect in accordance with the Order of the House [16th December 1998]) stands over to Four o'clock and proceedings on this Motion have begun before that time, the Motion for the Adjournment shall stand over until the conclusion of proceedings on the Bill.

9. If the House is adjourned at today's sitting, or the sitting is suspended, before the conclusion of proceedings on the Bill, no notice shall be required of a Motion made at the next sitting by a Minister of the Crown for varying or supplementing the provisions of this Order.—[*Mr. Kevin Hughes.*]

Orders of the Day

Youth Justice and Criminal Evidence Bill *[Lords]*

As amended in the Committee, considered.

New Clause 1

REFERRAL OF YOUNG OFFENDERS TO YOUTH OFFENDER PANELS

'.—(1) This section applies where a youth court or other magistrates' court is dealing with a person under the age of 18 for an offence for which a custodial sentence is available and—

(a) neither the offence nor any associated offence is one for which the sentence is fixed by law;

(b) the court is not, in respect of the offence or any associated offence, proposing to impose a custodial sentence on the offender or make a hospital order in his case;

(c) the court is not proposing to impose a fine; and

(d) the court is not proposing to impose a conditional discharge.

(2) If the referral conditions are satisfied in accordance with subsection (3) and referral is available to the court, the court shall order the offender to be referred to a youth offender panel.

(3) The referral conditions are satisfied if the offender pleaded guilty to the offence or any associated offence and has never been convicted by or before a court in the United Kingdom of any offence other than the offence and any associated offence.

(4) For the purposes of this section referral is available to a court if—

(a) the court has been notified by the Secretary of State that arrangements for the implementation of referral orders are available in the area in which it appears to the court that the offender resides or will reside; and

(b) the notice has not been withdrawn.

(5) In this Part "referral order" means an order under subsection (2).

(6) The Secretary of State may by regulations make such amendments of this section as he considers appropriate for altering in any way the descriptions of offenders in the case of which the referral conditions fall to be satisfied for the purposes of subsection (3).

(7) Any description of offender having effect for those purposes by virtue of such regulations may be framed by reference to such matters as the Secretary of State considers appropriate, including (in particular) one or more of the following—

(a) the offender's age;

(b) how the offender has pleaded;

(c) the offence (or offences) of which the offender has been convicted;

(d) the offender's previous convictions (if any);

(e) how (if at all) the offender has been previously punished or otherwise dealt with by any court;

(f) any characteristics or behaviour of, or circumstances relating to, any person who has at any time been charged in the same proceedings as the offender (whether or not in respect of the same offence); and

(g) whether the offender has previously been subject to a referral order.

(8) For the purposes of this section an offender who has been convicted of an offence in respect of which he was conditionally discharged (whether by a court in England and Wales or in Northern Ireland) shall be treated, despite—

(a) section 1C(1) of the Powers of Criminal Courts Act 1973 (conviction of offence for which offender so discharged deemed not a conviction), or

(b) Article 6(1) of the Criminal Justice (Northern Ireland) Order 1996 (corresponding provision for Northern Ireland),

as having been convicted of that offence'.—*[Mr. Greenway.]*

Brought up, and read the First time.

2.10 pm

Mr. John Greenway (Ryedale): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Mr. Michael J. Martin): With this, it will be convenient to discuss the following amendments: No. 1, in clause 1, page 1, line 8, leave out Clauses 1 and 2.

No. 12, in page 1, line 16, at end insert—

'(d) the court is not proposing to impose a conditional discharge.'.

Mr. Greenway: Part I introduces a new sentence for young offenders of referral to a youth offender panel. Panels will be established by the youth offender teams which owe their existence to the provisions of the Crime and Disorder Act 1998. The purpose of the panel is to draw up a programme of reparation, rehabilitation and, where appropriate, reintegration, aimed at addressing the young person's offending behaviour with a view to preventing him or her from reoffending in future.

I am glad to see the Home Secretary here. We support the concept of the referral order and believe that, properly resourced and constituted, youth offender panels have the potential to provide a more structured and coherent programme of support and reparation for a young offender than has been the usual experience with the generality of community sentences.

In Committee we highlighted some important elements where we have some disagreement with the Government about the way in which the new sentencing option is being introduced. New clause 1 offers a better framework and structure for the introduction of this important initiative, the genesis for which lies in much of the work of the last Government and taken forward by this Government, than the Government scheme. In addition and so that we can get the maximum out of this afternoon's debate, new clause 1 addresses all the important elements that were debated in Committee on which there was some disagreement.

The first concern that we addressed was whether this new option should be available only in youth and magistrates courts. We probed the Government to find out why the referral order was not apparently available to the Crown courts. The Government's view is that the number of occasions when a young offender might be dealt with by a Crown court in the circumstances which would allow or might require a referral order are sufficiently few to leave it to the magistrates or youth court to make the referral. A Crown court can send a young offender back to a youth court for that purpose, as required. Although we still believe that this is an unnecessary complication, it is not a key issue for us, so new clause 1 incorporates in the first line the same wording as in the Government scheme, restricting the power to youth and magistrates courts. We are happy to accept and reflect the Government's view on that.

Our most fundamental disagreement remains with the Government's insistence that the referral order should be mandatory, certainly in the first instance, for a first time offender who pleads guilty. We shall come on to the plea of guilty aspect later. We think that it is a mistake for the referral order to be mandatory.

The House will be aware that in another place the mandatory nature of the referral order was changed to provide the court with discretion. In Committee that change was reversed to reinstate the mandatory nature of the referral order. We find it slightly surprising that in the other place Liberal Democrat Members supported the amendment of my noble Friend Lord Windlesham whereas in Committee the Liberal Democrat Member voted against his noble Friends and in support of the Government. We note with some enthusiasm that as in Committee when the Liberal Democrats tabled one amendment, so on Report they have tabled one amendment. As will be clear from new clause 1 we agree that the availability of a conditional discharge to the court in the circumstances would be welcome.

We remain of the view that to make the referral mandatory for first time young offenders is a mistake because these are not the group of offenders for whom mandatory sentences should be thought appropriate. Notwithstanding the fact that these are pilot arrangements, so are capable of adaptation and adjustment in the light of experience, we envisage that a court will frequently have to make a referral order against its better judgment. In all sincerity I suggest to the Home Secretary that that has the prospect of undermining confidence in the scheme. To allow the court virtually no discretion for first-time offenders is bad law and will lead to rough justice and inconsistency.

Even if one accepts the principle of a mandatory referral order, it is questionable whether the conditions which trigger an automatic referral are the right ones or whether they require further thought and adjustment. The key purpose of new clause 1 is to suggest to the Government why we believe that those conditions need some changes in a number of respects. The changes that we think would be appropriate are set out in the new clause.

2.15 pm

First and in many respects most importantly, we need to question the range of offences which a young offender may have committed which would justify a mandatory requirement for the young person to work with a youth offender panel to address his offending behaviour and make reparation. As drafted, the Bill regards any offence as deserving such treatment. I do not know whether the Home Secretary has had time to study the *Hansard* reports of the Committee which was good natured. Although we had some disagreements it was not one of those Committees where we fought to the wire on many issues. When I pointed out that some offences were less serious and sufficiently minor not to justify a referral, I was asked to suggest one. I outlined the case of a 17-year-old motorist, perhaps about to go to university, of previous good character who drove through a red traffic light or was caught speeding. In a number of circumstances such a young motorist, like any other motorist stopped by the police and told of his transgression, might be given a fixed penalty ticket.

[Mr. Greenway]

The Minister of State, Home Office, the hon. Member for Brent, South (Mr. Boateng), has recently expressed concern about a particularly prevalent minor offence that youngsters are wont to commit, which is cycling on the pavement. I must confess that that offence did not cross my mind. Yesterday, the Minister tabled a statutory instrument, which provides for an on-the-spot fine or fixed penalty notice for the offence of cycling on the footway contrary to section 72 of the Highway Act 1835.

The Minister and the House will know from early-day motion 766 that not all his hon. Friends—indeed, not all of mine either—consider cycling on the pavement to be a punishable offence, let alone punishable with on-the-spot fines. There are as many as 27 signatures to that early-day motion. If we pray against that statutory instrument and there is a vote on it, it will be interesting to see how many of the Minister's hon. Friends vote against it and in support of that early-day motion.

This is good-natured banter, but cycling on the pavement is illegal, and can be dangerous. In response to my suggestion that someone going through a red traffic light should be considered a danger to the rest of society, the Minister said that he could introduce me to the parents of children who had been maimed as a result of such behaviour. I fully accept that, but the House should also reflect on the fact that there is an equal prospect of some young tearaway who cycles on the pavement posing a similar danger. Although some people approve of cycling on the pavement as it is safer for the cyclist, given the state of the traffic on the roads, it can be dangerous for the people on the pavement. I have no qualms about the Minister's intention to give the police an additional power to take action if they think it is required.

Whether the offence is going through a red traffic light, speeding or cycling on the pavement, as the Bill is construed a young offender will pay a fine if the police choose to give him a fixed penalty notice, whereas another offender who commits an identical offence will be summoned to appear in court, whereupon, having pleaded guilty, the magistrate will, under the Bill, have no option but to refer him to a youth offender panel.

To use the expression that an enraged mother in a queue at a passport office used when talking to my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) last week, that is completely barmy. How could anyone explain the logic of the system to a young person whose mate gets an on-the-spot fine, whereas for exactly the same offence he is referred for three months to a youth offender panel?

In fairness, under the Bill the court has an alternative: it could grant an absolute discharge. Some magistrates may be persuaded that that is a preferable option. Either way, it will lead to inconsistency in the sentencing of young people. Inconsistency in the administration of justice to young people is, in my experience, the harbinger of grievance, and the harbinger of grievance is the parent of alienation. That is the opposite of what the Government are sensibly trying to do in the Bill, which is to bring young people up short when they have offended. The sentence that they are given for their offence must be appropriate in the circumstances and relevant to their situation.

Mr. Tim Boswell (Daventry): I am following my hon. Friend's argument with some interest, because this is not a matter in which I have participated closely in the past. Does he agree that, if persons who have committed the same offence are given different punishments, that could give rise to a potentially objectionable situation under the European convention on human rights?

Mr. Greenway: My hon. Friend makes a good point. We debated this issue at some length in Committee. I can only pass on to him the Government's reassurance, which, in all fairness, we are happy to accept, that the Bill complies with all elements of the European convention on human rights. He is right: people have in the past sought redress in the European Court if our law has created an injustice which our courts are unable to address. They will be able to go to our courts when the human rights legislation that the House has passed is fully implemented.

I do not want to labour the point, except to say that it is extraordinary for the Government to expect the House to understand and agree with a sentence for a misdemeanour—not a high crime or serious offence—which will depend on how the young offender is prosecuted. In most cases, the police will not have the slightest idea of the young person's background and whether he is a known troublemaker or has never been in any trouble before.

It is ludicrous to propose that if a young person gets a fixed penalty notice, he must pay an on-the-spot fine, but if, for the same offence, he is required to appear in court, he must be referred to a youth offender panel to address his offending behaviour.

In new clause 1, we provide two entirely sensible solutions. The first is to establish which offences should trigger an automatic referral to a youth offender panel, and which offences could be regarded as less serious. As I said to the Home Secretary, we agree with this disposal. He will remember that, in the debate on Second Reading, I told him that I had visited Boston, Massachusetts with the Select Committee on Home Affairs. The Committee looked into the imaginative way in which they deal with young offenders in Boston, and it was then that I first understood the power and good sense of subjecting young delinquents to a structured programme of reparation and rehabilitation. We are fully on side in that objective. However, if we have to accept, given the Government's majority, that the referral will change back from a discretionary to a mandatory requirement, we have a right and a responsibility to ask the Home Secretary to think again about what offences will justify a mandatory referral.

2.30 pm

We think that the Government's policy is really about dealing with offences that are dishonest, violent or involve other criminal conduct. That is why, in line two of new clause 1, we introduce the phrase

"an offence for which a custodial sentence is available".

The aim is not just to highlight the need for offences to be serious, but to indicate clearly that the breadth of criminal activity, of vandalism and of violence, which we know that the Government are seeking to address, would carry the option of a custodial sentence. There would be an automatic referral to a youth offender panel where a young offender pleaded guilty on his first appearance in court.

In Committee, we debated the issue of seriousness in some detail. The theft of a pint of a milk was an offence that the Committee thought serious enough to warrant a referral order. Such an offence would be covered. That does not have to mean that someone who admits in his first appearance in court to theft of anything will automatically get a prison sentence, but the offence to which that person has pleaded guilty, including theft of a pint of milk, would carry a prison sentence as an option, so it would be covered, as would malicious damage, vandalism and any assault.

The petty crime that concerns local communities and characterises the behaviour of youngsters who are out of control and need their offending behaviour addressed would therefore be covered by the alternative proposal. However, serious motoring offences would also be covered. A 17-year-old driving under the influence of drugs or drink, or causing death by dangerous driving, would come within the category where a custodial sentence is an option.

No one—I agree with the spirit of what the Minister of State was saying in Committee—could possibly argue that a young person who had pleaded guilty to such a serious offence would not be in need of a programme of rehabilitation, reparation and remedial action to address his offending behaviour, but our proposal would also leave courts free to continue to dispose of less serious summary offences, which I have already described as misdemeanours, with a fine, or courts could impose a conditional discharge.

Nevertheless, it is not our intention that the restriction of offences for which a referral order is encouraged for the more serious crimes and the imposition of a fine or conditional discharge should be regarded as exclusive alternatives. Both have their place in a sensible sentencing strategy. Even if the offence involved criminality, there would be occasions where the option of a fine or conditional discharge would be an important discretion for the court to have at its disposal.

What if, for example, a 16 or 17-year-old, perhaps out with his girlfriend and not looking for trouble, is attacked by other youngsters and, in defending himself, assaults his assailants or causes damage? He may have had no intention to do so, but the action is likely to be considered reckless by the court. It happens. I am glad to note that the Home Secretary agrees.

It would be ludicrous to say in such circumstances that there is no option but to refer that person to a youth offender panel and to argue that that would be the most appropriate outcome. Clearly, it would not. The court must have the discretion to impose an alternative. A fine, or, indeed, in those circumstances, a conditional discharge, which is far more powerful than the absolute discharge, which is the only thing available under the Government's proposals, would be more appropriate.

More important, to have such a restricted sentencing option would lead to the criminal justice system being brought into disrepute. The failure of the Government's proposals to provide for such a sensible outcome will affect the way in which youth and magistrates courts deal with young people. That will lead to the sort of controversy and anger that we saw in response to some of the proposals in the Criminal Justice Act 1991. In Committee, we commented on that point.

On previous occasions, the Home Secretary has described me as an old lag because of all the long service I have done in various criminal justice Bill Standing Committees. In the Committee that considered the 1991 Act, several of us had some misgivings about unit fines, but I say in all sincerity that he is going down the same road with the current proposal. He is producing an inflexible structure that will lead to anger and controversy. Our worry is that what is a sensible initiative will be brought into disrepute even during the early years of the pilot schemes because of that inflexibility. The Government must think again.

Mr. Hilton Dawson (Lancaster and Wyre): I ask the hon. Gentleman, in all sincerity, to consider whether he has missed the crucial point about the provision: it is about restorative justice, introducing meaning to the process involving young people and tackling issues at the crucial moment of that first appearance in court.

Mr. Greenway: If I take on board what the hon. Gentleman has said, perhaps he will have an argument with the Minister of State. We heard all that claptrap in Committee. We are not missing the point at all. We are fully seized of the point. We are saying that the referral order must be appropriate to the young person in question.

The Government are introducing a scheme where some referral orders will be wholly inappropriate. Perhaps the hon. Member for Lancaster and Wyre (Mr. Dawson) was not listening, but what could be more inappropriate than to say to one young offender, "You have been cycling on the footway. Here is a fine," and to say to another, "By the way, because we did not catch you, but we know who you are, you have been summoned to the court, you will go to court and plead guilty"? The Home Secretary must accept that, under the Bill, the court would have no option but to refer that person to a youth offender panel.

I cannot for the life of me see the logic of such a situation. Where is the reparation? Where is the reintegration into society in those circumstances? It is complete nonsense to have such a conflict between two alternative disposals for precisely the same offence, depending entirely on how the young person is prosecuted. We have made our point. I can tell from the noises behind me and the nods that I see when I look around from time to time that, thankfully, some hon. Members in the Chamber agree with me.

Two other aspects of new clause 1 differ from the Government's structure. If we accept the logic of the mandatory referral for a plea of guilty, it will be hard to see the logic of giving the court any discretion if a young person pleads guilty to one offence, but not guilty to another. The Home Secretary will remember that, on Second Reading, we expressed the concern that, perversely, youngsters might be tempted to plead not guilty to avoid the youth offender panel. Bearing in mind that our proposal would restrict the referral order to more serious offences and provide the option for a fine, we think it would probably be more straightforward if the referral order were mandatory for all pleas of guilty.

The Government's case is that a guilty plea is essential to the young offender being prepared to accept that he has done wrong. If he has pleaded guilty to one offence, even if he has pleaded not guilty to another, that is an admission of guilt for the youth offender panel to work on.

[Mr. Greenway]

The new clause incorporates all the powers that the Home Secretary thinks appropriate to extend the provisions of the referral order to other offenders. On Second Reading and in Committee, we certainly supported the concept of making referral orders appropriate and available for dealing with more persistent offenders. However, we should have preferred that persistent young offenders were brought within the scheme's provisions immediately.

If and when other than first-time offenders are brought within the scheme's provisions, we think that courts must have regard to whether such youngsters have previously been subject to a referral order. As we debated and agreed in Committee, the Government's wording technically provides for that. Nevertheless, we still feel that a requirement to have regard to whether a young offender has previously been subject to a young offender order is sufficiently important to be included in the Bill.

Although we support the idea of referral orders to youth offender panels, we disagree with the conditions in which courts will be able to pass such a sentence. The provisions are riddled with illogicality. The argument that the provisions are a completely new and radical approach to dealing with first-time young offenders does not justify the blanket provision, in every case, of referral orders. Therefore, I ask the House to support new clause 1.

Mr. Dawson: It is with regret that I disagree with the comments of the hon. Member for Ryedale (Mr. Greenway), as I fully realise that, throughout our consideration of the Bill, he has pursued his case with sincerity, great knowledge and experience. Nevertheless, I think that he has totally missed the point on the radical nature of the proposals—which are not at all intended to reflect a youth justice system that has become discredited among not only young people but those who have felt its inadequacies, whether as victims or those who work within that system. The Bill offers an approach that is absolutely trying to deal with young people at the crucial moment—when they first appear in court.

Far from being inflexible, the approach offers the supreme flexibility of providing young people with an opportunity, over a significant period of between three and 12 months, to sit with a panel that would include their parents, representatives from various agencies, people from the community and possibly victims of their offences; to use that opportunity to be confronted with the reality of their offending; and to have the underlying and overt reasons for their offending uncovered, analysed and challenged. They would also have the opportunity to make reparation to an individual victim or, perhaps more likely, to the wider community.

The Bill offers a wholly different approach from the current one, in which, very perfunctorily, young people appear in court under the influence of various messages about what the experience is supposed to be about. They endure an occasion in court that is probably meaningless for them: get the whole thing done, dusted and out of the way as quickly as possible; and then go on.

2.45 pm

In Committee, the hon. Member for Ryedale raised the issue of young people who are apprehended for going through a red traffic light. I told him then, and I tell him now, that I could today put together a programme for a young person who had been convicted of such an offence—which is a very serious one indeed—involving the auspices of other groups in the community, that would shake that young person to the core about what happens when one speeds in a motorcar. Does anyone think that that is less worthwhile than a young person appearing in court and receiving a fine that may be paid by his or her parents?

Lorna Fitzsimons (Rochdale): Is my hon. Friend aware of a cutting-edge young offenders programme that is being operated at Buckley Hall prison by the prisoners themselves? The programme—which is receiving accreditation—is being operated just as my hon. Friend has described, by talking about people who have thrown away their lives by using cars to do things that they have come to regret. Additionally, the programme is thought to be so worthwhile that the people behind it are giving presentations to magistrates across the north-west region.

Mr. Dawson: I am grateful to my hon. Friend. Although I am not aware of that project, it is a perfect example of what I am talking about—a programme devised by those who have been through experiences that have meaning for offenders and to which offenders are able to respond.

I regret to say that the out-of-date approach to youth justice being advocated by the Opposition threatens to undermine the Bill's entire purpose. If we were to allow crucial get-outs, such as opportunities for young people to be dealt with in a conditional discharge and a fine, we should miss the crucially important moment—the first appearance in court—and that crucial chance to influence behaviour at that level.

As one who worked in the youth justice system for some years, I tell the hon. Member for Ryedale that one of the system's greatest failings was that, in far too many cases, by the time we got to the young people for whom we were trying to develop programmes as alternatives to custodial sentences—they had all the cautions, court appearances, fines, conditional discharges, and attendance and supervision orders behind them—they were lost to us. The moment had gone.

The Bill creates the opportunity to use the crucial moment. It brings a radical approach to justice that is meaningful to the young person and to the community, restores to the community what it has lost to offending, and gives young people an opportunity to move on and face what they have done. The approach is novel, and it builds on good experience from around the world. It is what we need in the new youth justice system, and I hope that all hon. Members will wholeheartedly support it.

Mr. A. J. Beith (Berwick-upon-Tweed): Liberal Democrat Members strongly support the creation of youth offender panels, which are based on experience from not only around the world, but across the border. Some elements of Scotland's children's panels and children's hearings, which have worked well in Scotland, have been incorporated in the proposed process. We hope that the panels will provide the basis of a new approach to youth offending, and offer a more constructive response to young offenders that is based on examining the causes and consequences of their behaviour.

We also hope that the proposals will inspire a bit more confidence in victims that the young people concerned are being confronted with the consequences of their actions. We often forget how, often, victims feel that current court procedures offer absolutely nothing to them, leaving them feeling as if they would just like to get hold of the person who perpetrated the crime and give them a good talking to about what it means to be a victim and the adverse effects of their crime.

Our amendment No. 12, which is in this group, is a modest amendment that would introduce a little more flexibility to the system created by the Bill. The court will not currently have to refer first-time offenders who plead guilty to a youth offender panel if it is proposing to impose a custodial sentence or an unconditional discharge—decisions that fall at opposite ends of the scale. If neither course of action is proposed, referral to a youth offender panel will be required. The amendment would give the court the further option of a conditional discharge.

We support the Government's view that when the conditions are met, referral to a youth offender panel should be mandatory. For the new system of youth justice to be proved effective, it needs to be widely used. In the Scottish system, if guilt is accepted the children's hearing is automatic. We agree that that principle should apply. Over time we want it to be broadened beyond first-time offenders. As we gain more experience, we would like the provision to be available for a wider range of offenders.

However, we believe that giving magistrates complete discretion—which we normally favour—runs the risk of limiting the effect of that useful development in youth justice at a time when it needs to be given a fair, broad trial over a lot of cases. There is a strong case for allowing the court an extra option before the referral becomes automatic. Unless the Government accept the amendment, they will effectively abolish the conditional discharge for first-time offenders who plead guilty. They may be the most likely to respond to a conditional discharge. In some cases it would be the most effective response to the crime and it would not be sensible to drain the limited resources of the youth offender panels, so there is merit in a modicum of additional discretion.

At the moment, absolute discharge is rarely used compared with conditional discharge. Courts can impose a condition of non-offending behaviour for a year or more, so we think that it would be a useful way of avoiding clogging the new youth offender panels with minor offenders.

The Government's objection to similar amendments in this House and the other place seems to have been that they do not like conditional discharges because they send the wrong message. Are they saying that they no longer see any use in conditional discharges for first-time young offenders who plead guilty? Are they saying that they are no use for young offenders? Are they sure that the new youth offender panels will have the resources to deal with all who may currently receive a conditional discharge?

Our proposal has gained considerable support since it was first put forward in the other place by my noble Friend Lord Dholakia. It was proposed in the Standing Committee with the support of the three Opposition parties represented there.

The Conservative new clause on the new power of referral to a youth offender panel has been explained to us exhaustively. The aim of the new clause is to rewrite the relevant clauses in the Bill. It would meet our request by allowing conditional discharge as an option. It would also go further by allowing a fine. We understand that argument, but we do not think that the Government will be persuaded of it. Our concern about the new clause is that it would limit the use of referral to only those first-time offenders who plead guilty to an offence for which a custodial sentence is available. We are not convinced that referrals should be limited in that way. The new system of youth offender panels could respond effectively to offences for which there is no custodial sentence available. We prefer the Government's wording. The panel's contracts will be a new form of community sentence. Although the new clause has other merits, it imposes too great a restriction and we do not support it.

Sir Nicholas Lyell (North-East Bedfordshire): I am glad to play a small part at this stage. The new clause gives us another opportunity to think about a sensible part of the Bill that has a flaw.

Referral orders are an idea whose time has come. I congratulate the Government—I did not take part on Second Reading—on picking up those ideas and running with them. I went to see Charles Pollard and his practical efforts in Aylesbury before the election, and very impressive they were. I sat at the back of the room and watched a meeting at which parents, young offenders and victims were present and the whole issue was talked through. It was superbly managed by a young woman police officer. Clause 1 or the new clause would implement that. The fundamental difference between clause 1 and the new clause is that the new clause would give more flexibility. There is a case for more flexibility.

This is the point at which one becomes a little frustrated about coming in late to take part in the parliamentary minuet. The Home Secretary should have accepted the Lords amendment to introduce the word "may" instead of "shall". I apologise to him for not having heard his reasons for throwing it out.

I sit as a recorder. I listen to the gossip at lunch and go to the many training sessions that the Lord Chancellor rightly requires recorders to attend. We rightly required them to attend such sessions when we were in government. Complaints consistently come from experienced judges—Lord Justices, recorders and assistant recorders with huge experience and Crown court judges with the widest experience of all—about Parliament setting a provision in stone or steel and requiring them to operate it. They are willing and anxious to operate it, but they have to see the individual circumstances. They may say, "Look, this is basically a very good idea, but in this particular example it is damned silly and it will waste the referral committee's time."

My hon. Friend the Member for Ryedale (Mr. Greenway) was right to draw attention to a mistake that we made in government. This Government have been in power for such a short time that they have not made any mistakes, but that may change. I know that irony is the most dangerous political weapon, because when people read comments they tend to take them at face value. It could come out over the airwaves that the former Attorney-General has said that the Government have made no mistakes and it would be quoted back to me. We made a mistake with unit fines. There was some merit in the idea, but it was barmy. I was Solicitor-General when the policy was slipping through. It shows how little we

[Sir Nicholas Lyell]

know of what goes on in other Departments. I confess—in Latin if necessary—that the unit fines system slipped through and it was intolerable.

I have far too much respect for the Home Secretary to want to see him make a similar mistake. It would not be as bad, because the worst consequence would probably be to waste the time of referral committees. That is a pity, because they need to be labour-intensive. That is why I commend them so strongly. We have to spend a great deal of time on youth justice, particularly with people in the early stages of offending. Time, effort and expertise are well used at that stage in a person's career of potential wrongdoing.

3 pm

A resource, such as those committees, should not have its time wasted, and the elaborations of the court should not be made necessary by inflexibility in the structure of the Act, as it will be. That is why I support the new clause. I do so honestly, although I do not think that the new clause is the perfect answer as it also uses the word "shall". However, it gives more options before we reach compulsory referral.

There is little opportunity left for the Home Secretary, as we are getting to Third Reading today. However, I beg him to try to find a way to allow the court honest flexibility. He may say that there is a certain flexibility because courts can always impose a fine.

Mr. Greenway: That is the whole point—the courts cannot impose a fine. However, there will be an opportunity for the Home Secretary to think again. If he gets his way, and neither the new clause nor the Liberal Democrat amendment is accepted, the Bill will go back to the other place with the measure reversed. The Home Secretary's noble colleagues will then have to explain why.

Sir Nicholas Lyell: I am extremely grateful to my hon. Friend. We need to get back to the sensible position suggested by their Lordships in a thoroughly constructive amendment to this otherwise thoroughly sensible proposal by the Government. Our suggestion—that a fine or conditional discharge would provide more flexibility—is a second-best, but a useful second-best. I ask the House to think seriously about supporting the new clause.

The Home Secretary must not think it necessary to force these referral committees to take every case. They will be extremely enthusiastic to take up the right kind of case, and they will need no forcing. I have long experience of working with magistrates at every level, publicly and privately, and my impression is that they cry out for new measures, which they welcome with open arms when they are flexible. They will welcome the proposal with open arms, but it would be much more useful to them if the flexibility that was wisely proposed by the Lords—it is not a slap in the face for the Government, but a sensible suggestion—could be restored.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy): It is a pleasure to follow the right hon. and learned Member for North-East Bedfordshire (Sir N. Lyell). I have every sympathy for the Bill, and this part in particular, but I agree with the thrust of the new clause. The basic problem that we have faced—it was raised time and again in Committee—is the inflexibility of this clause. I hope that Labour Members will not say that I have misunderstood it. I have 25 years' experience as an advocate, and I have a limited ability to understand legislation.

The new approach is, of course, welcome, and it gives an opportunity to avoid criminalising a young person who may, early on, be put back on the rails. It is a good investment of time and resources. For every reason, it is a good idea. However, I agree with the right hon. and learned Member for North-East Bedfordshire on the question of flexibility, which is the key issue.

Before I address that matter, there are one or two points about new clause 1 that I cannot quite accept, such as the precondition that a custodial sentence must be available. Many serious offences do not carry a custodial sentence, and that is a slight concern.

The hon. Member for Ryedale (Mr. Greenway) has worked extremely hard on this Bill, but I disagree with one of his points in relation to people electing trial to the Crown court. With some judges that I know—present company excepted—one would be better advised not to do that. One could end up with a right old tanning in some of the places where I used to practise.

I agree that bringing in the conditional discharge—referred to by both the hon. Member for Ryedale and the right hon. Member for Berwick-upon-Tweed (Mr. Beith)—is a proper and sensible approach. The inflexibility of the mandatory approach is most unfortunate.

I plead guilty to having introduced the subject of the milk bottle into the Committee's deliberations. I was probably subliminally concerned about the dairy industry. However, I ask the House to consider this example. At a temporary traffic light system where one can see from one end to the other, a young person sees that nothing is coming and drives through. He should not have done it—we all know that. That offence is not endorsable. However, under the Bill, that young person might well have to spend 12 months in a multidisciplinary panel approach because of that one transgression, which is not even endorsable. I am sure that there are many other examples. I am not trying to clever—I am making a point about the inflexibility of the Government's mandatory approach.

There are huge resource implications. *[Interruption.]* The hon. Member for Lancaster and Wyre (Mr. Dawson) may disagree. No doubt he will say that I have misunderstood the matter. I agree with the thrust of the Bill, and I am not arguing about the theory behind it or the practice of it. However, I am saying that it will not be appropriate for all offences.

Mr. Dawson: I believe sincerely that the hon. Gentleman is missing the point. This not a 12-month sentence to anything. This is an opportunity for a panel to be almost infinitely flexible and to address that young person's behaviour in a variety of ways.

Mr. Llwyd: What variety of ways are needed over a period of between three and 12 months to address the offending behaviour to which I referred? What possible

expert or authority could be involved? What can be done with that type of person? These are just words. With respect, that is a complete nonsense.

Ms Beverley Hughes (Stretford and Urmston): Does the hon. Gentleman accept that, in the example he has given, that young person has demonstrated a serious miscalculation of risk to himself or herself and to others, and that while nothing untoward may have occurred on that occasion, it is an important moment to get that young person to address that risk-taking to ensure that it does not escalate?

Mr. Llwyd: The hon. Lady makes a good point, forcefully. I accept what she says in that instance, and the point has been made. She has a valid point, and I do not profess to have the monopoly of wisdom.

My main concern is the mandatory form—the inflexibility. There are two main ways of making bad law. One is to rush it and to repent at leisure. The second is to introduce something that is inflexible. One of the worst-ever pieces of legislation passed by this House concerned the Child Support Agency, and we are still grappling with it. That was so inflexible, it did not work.

The right hon. and learned Member for North-East Bedfordshire referred to the unit fines system. I was in daily practice at that time, and the number of injustices that poured out of magistrates courts, day in, day out, was an absolute disgrace. That was again because of inflexibility. The poll tax is another example. I note that the Home Secretary is laughing loudly. I am pleased that he is enjoying himself.

I fully endorse the drift of the provision and agree with the new penalty, which will help young people in many cases; but there will be huge resource implications. Perhaps the Home Secretary does not realise how much it will cost. In some parts of north Wales and Merseyside it already takes up to six or seven weeks to get a probation report. The system will be clogged up with new referrals. I hope that the resources and expertise will be in place. I wish the system well but I foresee problems arising from its mandatory nature.

Mr. Boswell: I gather that the Home Secretary or the Minister of State described my hon. Friend the Member for Ryedale (Mr. Greenway) as an old lag in these matters. I plead guilty to being a first offender. It is not an area in which I spend much time. I have spent a great deal of time on other legislation, from the safest of all possible positions, as a lay legislator, not a legally qualified one.

I am very much in sympathy with what my hon. Friend and others have said today, above all about the need for flexibility. I want to cite an example from completely outwith the Home Office. Recent protracted experience of the national minimum wage legislation encouraged us, in Committee, despite our opposition to the principle, to offer the Government the opportunity for flexibility in the drafting, giving them what one might loosely call a get-out clause: if something had been overlooked or got wrong, it would be possible to amend it to take account of the particular circumstances of a case.

Almost immediately, such an opportunity arose in respect of au pairs. The legislation was unsatisfactory, as it would have brought to an end the ability of the majority of the people who employ au pairs to continue to do so. The Government had to strain legal language to the uttermost to get round inflexible legislation that was set in stone, redefining not the workers who were excluded but the work, in a way that I, as a lay person, find legally implausible.

I suspect that it would have been easier to sustain the concept behind unit fines, which is not a bad one, had magistrates been able to vary their operation when they deemed that appropriate in the interests of justice or in the light of all the circumstances of a case.

3.15 pm

We have here a piece of machinery conceived for the best possible reasons, which I support in general—I have no argument with the hon. Member for Lancaster and Wyre (Mr. Dawson) on that—but if we say that we must tie it down in every single case because we cannot trust those who operate it to make a judgment, we start giving rise to trouble.

If one is buying into the European convention, it is important that any punishment should be appropriate to the circumstances, not disproportionate. The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) cited the example of someone driving through a red light wrongly but not endorsably. It is not at all clear that the procedure would be appropriate in that case. I am not saying that the Home Secretary would not win in court if there were a challenge, but he would have to go to court to prove the point, which is unfortunate.

I am much more concerned with the lay sanctions in two respects. One of the Government's characteristics is a careful following of the tabloid press. If we say that referral to a youth offender panel must take place in all cases, a case is bound to arise in which it is darn silly to do it. The magistrates and the Home Secretary will be unable to do anything about it and it will appear in the press in a way that discredits the system. The press will ask how any sensible group of legislators could get themselves into such a situation.

The second area of discredit, which I find equally disturbing, concerns the young offenders themselves. The hon. Member for Meirionnydd Nant Conwy was absolutely right to ask what the panel would offer a young person in the circumstances that he described. We are talking not about a pattern of offending leading to a first appearance in court—I am at one with the hon. Member for Lancaster and Wyre in that respect—but about a person who has behaved in a stupid and irresponsible way once.

The very fact that the person has been apprehended, resulting eventually in a court appearance, is probably sufficient in itself. Going through the elaborate rigmarole of a youth offender panel may well not meet the case. It might in some cases; that is not the issue. The issue is whether there should be discretion to waive the process when appropriate.

The provisions sit extremely ill with legislation that the Home Office introduced only yesterday in relation to spot fines. In that case, the police officer will have discretion: he may or may not decide to proceed. We are saying that police officers can have flexibility and discretion, but magistrates cannot.

If the system is set up to allow a silly result, there has to be a safety valve at the end of the case. I predict what the safety valve will be: the case will be referred to the

[Mr. Boswell]

youth offender panel, with much cost and complication; the panel will meet and it will come up with what I will frankly call a Noddy solution—one that does not address the one-off offence, but is a fiction. That adds a further element of discredit, because it takes the emphasis away from the experience of cases in which the new system is applied sensibly and appropriately and puts it on cases in which the system should never have been considered.

It is the sign of a mature Government not to say that they do not trust those who take decisions in the courts based on the legislation that they have passed. We should offer some flexibility. As a constituency Member who is concerned about young people, I have no problem with the concept of the system, but I am concerned that it may be discredited by being applied inappropriately and in a way that will attract opprobrium and hole it below the water line, when in fact we want it to succeed.

Mr. James Clappison (Hertsmere): I begin with an apology to the House and to my hon. Friend the Member for Ryedale (Mr. Greenway), as a constituency matter meant that I missed the beginning of his remarks. However, I caught the flavour of them at the end, and his sensible points about the need for flexibility have been adopted in subsequent contributions. I also wish to declare that I am a member of the Bar.

Ministers must listen carefully to the arguments advanced by my hon. Friend the Member for Ryedale and by the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) in favour of more flexibility. Labour Members have made some good contributions to the debate, but they are making slightly heavy weather of the issues.

There is no need to go over the arguments about restorative justice and referral to youth panels, as there is wide agreement in the House on them. What my hon. Friend the Member for Ryedale said in support of the new clause did not contradict the general principle of restorative justice, and it cannot be said that the need for restorative justice disposes of the new clause as the administration of restorative justice requires flexibility.

The hon. Member for Meirionnydd Nant Conwy practised for 25 years in youth courts and has much greater experience than either I or the hon. Member for Lancaster and Wyre (Mr. Dawson). However, the Government must consider very carefully the arguments of the hon. Member for Meirionnydd Nant Conwy about flexibility—which I shall turn to in a moment—and about the availability of referral to a youth offender panel in cases where a custodial sentence is not available.

The Bill restricts referral to cases punishable with imprisonment. That is one of the conditions. The hon. Member for Meirionnydd Nant Conwy asked about those offences that are not punishable with imprisonment but which magistrates think might be dealt with appropriately by referral to a young offender panel. That is an important question, but the Minister of State looks puzzled.

The Minister of State, Home Office (Mr. Paul Boateng): It is a Conservative new clause.

Mr. Clappison: That just shows how important flexibility is.

My hon. Friend the Member for Ryedale made another important point in favour of flexibility when he said that magistrates will decide such cases. The hon. Member for Lancaster and Wyre said in an intervention that the hon. Member for Meirionnydd Nant Conwy did not get the point because the youth offender panel could administer justice in a wide variety of ways and that it had a lot of flexibility.

I see that the hon. Member for Lancaster and Wyre agrees that that was his point, but magistrates will know the youth offender panel's capabilities and they may think that a more appropriate way to deal with a case is by means of conditional discharge or a fine.

Mr. Dawson: Does not the hon. Gentleman recognise that the youth offender panel will be able to discuss such matters in depth and to examine a range of different ways to deal with offending behaviour and the underlying problems that become evident? The panel will be able to make decisions on the basis of knowledge that simply is not available to a youth court.

Mr. Clappison: I appreciate that, but such decisions come after magistrates have heard the facts of a case and representations from both sides. One of the conditions for referral is that the court does not intend to impose a custodial sentence. After hearing the facts of a case, the court therefore will have to consider whether to impose a custodial sentence. That is a very important question. The hon. Gentleman's experience will tell him that the courts will want to think carefully about that. They will want to avoid imposing a custodial sentence if to do so would be unduly harsh, but they will also want to be certain that a case is not so serious that a custodial sentence is justified. The magistrates will also know what is available under a youth offender panel and might conclude that a case is best dealt with by means of conditional discharge or a fine.

It has been suggested that this rather modest new clause will undermine the edifice of restorative justice, but that is not the intention. It would give flexibility and discretion to the courts, and we should trust the magistrates.

I share the very high opinion of lay magistrates expressed by my right hon. and learned Friend the Member for North-East Bedfordshire (Sir N. Lyell). Lay magistrates are very conscientious and perform an important function, and Ministers would do well to take on board what my right hon. and learned Friend said. He performed an elegant parliamentary minuet and handed a bouquet to Ministers when he commended the ideas of restorative justice and of referral to youth offender panels. Bouquets, as opposed to brickbats, are not often given to Governments by Oppositions—it certainly did not happen much before May 1997. Ministers must now think about the desirability of flexibility.

A warning should be taken from the recent past. I was not in the House when the Criminal Justice Act 1990 was passed—although I was a Conservative supporter then—so I have no expert knowledge about whether the Labour Opposition at the time were especially astute when it came to uncovering the inadequacies of that measure. I see the Minister of State smiling in a puzzled way, but we still use the framework of the 1990 Act for sentencing in criminal courts. In their amended form, the provisions have proved durable and I am not aware of any clamour for their repeal.

Before the 1990 Act was amended to take account of problems with unit costs and courts' inability to take previous convictions into account, it gave rise to great concerns among practitioners, who shared their unease with Members of Parliament at constituency surgeries. The Act was subsequently amended to render it more sensible and flexible. Ministers must listen to what has been said about flexibility and avoid tying the hands of the courts. Magistrates and judges dislike nothing more than being forced by law to take a certain course when the facts of the case suggest that a different course would be appropriate.

Sir Nicholas Lyell: Another aspect of flexibility is worth mentioning. Has my hon. Friend noticed that the new clause also gives the Home Secretary flexibility to widen slightly the ambit of referral, which need not apply solely to the absolute first-time offender? I fully understand the Home Office's anxiety not to have too many such referrals, but does my hon. Friend agree that the provisions of the new clause would be valuable in many cases involving young people under 18 who are not absolutely first-time offenders? Would not the Home Secretary be wise to consider that aspect of the new clause as well?

Mr. Deputy Speaker: Order. The right hon. and learned Gentleman's intervention has gone on too long.

3.30 pm

Mr. Clappison: My right hon. and learned Friend sensibly pressed the point that we should leave it to the courts to choose horses for courses. If they are dealing with a young person, perhaps one with a previous conviction, they should have the flexibility to deal with that person as they see fit.

I prefer to trust the courts with a measure of discretion within a sound legislative framework. The courts should have available all the powers that they need, and it should be up to them to use them as they wish. We do not know the facts of individual cases, but magistrates hear the facts and the representations. Their experience and training give them discretion on how best to deal with particular cases.

I do not agree with all that was said by the right hon. Member for Berwick-upon-Tweed (Mr. Beith), but the Home Secretary should deal with two of the points that he made. First, victims should feel that they have a say in sentencing. The Crime and Disorder Act 1998, the Committee for which I had the privilege of serving on, set up the advisory panel. We said that it should include representatives of victims organisations, and we received certain general assurances from the Government. I should be happy if the Home Secretary would write to tell me what voice victims will have on the panel. Does anyone on the panel represent victims organisations?

The right hon. Member for Berwick-upon-Tweed also feared that the Bill spread resources too widely. It may be that resources will be inappropriately used because of the Bill's inflexibility. What are the implications for the probation service? We need flexibility, and Ministers should trust the courts.

The Government are making slightly heavy weather of the Bill. I cannot see why they put up such fierce resistance to a sensible amendment that has won support on both sides of the House and in the other place. It would be in the spirit of criminal justice legislation if the Government showed some flexibility and listened to representations, even by those who essentially agree with them.

Mr. Peter Brooke (Cities of London and Westminster): My only qualification for speaking is that I have no qualifications. By definition, I also have no interests to declare. I have never served as a Home Office Minister, perhaps partly because my father once did, and I felt that one member of a family in two generations in the Home Office was an adequate discharge of duty for a single human group.

Nor am I a lawyer, although my younger brother is. He is, in fact, the first member of the family in several generations to have been a lawyer. I once heard him at a local government wards inquiry, but I have never attended upon a court in which he was appearing. I have been a juror only once, when I heard a case involving a kebab house that was operating without a licence. The case took four days, but it was not enough on which to build an understanding of the entire legal system.

Neville Cardus once said that, even if all other batsmen in the world were destroyed in a holocaust, but Tom Graveney remained, we could reconstruct the total art of batsmanship. A wise lady scholar once said that we could construct the entire administration of the Roman empire from the construction of ut with the subjunctive. However, I defy anyone to construct the full majesty of the legal system on a single case involving a kebab house.

When I accepted an invitation to attend West London magistrates court's open day in May—the Lord Chancellor had encouraged them to hold it, and I think the practice extremely good—I did not know that I would be speaking in this debate. Indeed, it would not be dishonest to disclose that I did not know that I would speak in this debate until 2.15 pm today. I come to the Chamber with a mind of molten wax on which my hon. Friend the Member for Ryedale (Mr. Greenway) has most eloquently inscribed my education in these matters. Had I known that I would speak today, I should have paid even closer attention than I did to what I was told at the West London magistrates court.

I enjoyed that visit very much, not least because of a wholly admirable dramatic scenario—it ran all day, but I heard only part of it—in the youth court, in which contemporary cases, written up and prepared in advance in line with present practice, were acted out with splendid realism. That demonstrated how valuable the open days are. It was standing room only for the general public who attended the open day.

I have not yet heard the Government's case on new clause 1—indeed, I am preventing the Home Secretary from offering it. I listened intently to the hon. Member for Lancaster and Wyre (Mr. Dawson), and I felt that there was nothing between the Opposition and the hon. Gentleman on the virtues of the proposed procedure. The real test of the issue is whether the harness in which the magistrates will work should be the leather harness commended by the great Duke of Wellington or the iron harness on which the great Napoleon Bonaparte always relied. Bonaparte's dying words may well have been, "We have enlarged the borders of glory", but it was the leather harness that did for him at the battle of Waterloo.

[Mr. Peter Brooke]

During the last Parliament, a leader in *The Daily Telegraph* rebuked me for speaking in gentle opposition to my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard)—then the Home Secretary—on the subject of mandatory sentences. I forget the position then taken by the present Home Secretary, and I do not seek to provoke him into telling me, but I opposed mandatory sentences on the a priori grounds that it was a mistake for judges and the Executive to be in conflict. It was especially so when the Executive in conflict with the judiciary was a Conservative one.

Despite *The Daily Telegraph*, I remain of the same view today. We should trust magistrates, rather than making up their minds for them.

The Secretary of State for the Home Department (Mr. Jack Straw): It is a privilege to speak to these amendments. The House is broadly agreed about the principles in this part of the Bill, although there are substantial disagreements about how the proposals might operate in practice.

One of the few benefits of being in opposition—there were very few, and I do not recommend it—was that one was able to think about particular institutions in greater depth than one can manage when in government. Along with right hon. and hon. Friends and people outside the House, I paid particular attention to the profound defects of the youth justice system. My hon. Friends the Members for Lancaster and Wyre (Mr. Dawson) and for Stretford and Urmston (Ms Hughes) have referred to the current arrangements for dealing with young offenders. To call those arrangements a system is to offer them greater dignity than they deserve.

The system is inadequate. It lacks coherence, speed and a connection between the commission of an offence and the correction and punishment that would make it clear to the young offender that the offence should not have been committed and secure some possibility that reoffending would be avoided.

The right hon. Member for Berwick-upon-Tweed (Mr. Beith) referred to the Scottish example. The Scottish children's panels have been operating for about three decades. They are criticised within Scotland more than they are admired outside—that is always the case. None the less, when I visited Glasgow to look at the operation of the panels, everyone to whom I spoke was in favour of the system. When I consulted my colleagues in the parliamentary Labour party on that matter, I wrote to all of them asking—without leading the answers—what they thought about the youth justice system. It was significant that all the replies of Members representing Scottish constituencies supported the principle of children's panels. Those Members pointed out that some changes might be made, but that the principle was sound and it was working. However, every Labour Member representing an English or Welsh constituency said that those youth justice arrangements were not working and needed to be changed.

We considered Scotland, and some of my colleagues travelled to New Zealand to examine its arrangements for family conferencing. As the right hon. and learned Member for North-East Bedfordshire (Sir N. Lyell) mentioned, several of us have studied carefully the considerable innovations in the Thames Valley police district, under the leadership of the chief constable, Charles Pollard. We tried to distil that experience to ensure that we developed it against the background of the operation of the English and Welsh legal system, and in order to introduce proposals that would bring into the law those principles of restorative justice—they are contained in part I of the Bill.

I will deal with the specific criticisms that the scheme is too inflexible. I do not think that it is, but I shall answer the point. We are not dealing merely with yet another disposal for the existing youth justice courts; we are dealing with a wholly new approach to young offenders. Although I hope to convince the House, especially sceptical Opposition Members, that the disposal has inherent flexibility, it is inappropriate merely to offer this disposal on a menu of others—alongside fines, conditional discharges or anything else.

We want to change the way in which youth offending is corrected, which brings me to the point made by the hon. Member for Hertsmere (Mr. Clappison). Those Members of the House who have had experience of working in the youth courts—as I did many years ago—or of observing the youth courts, as I did much more recently, will realise that the most disturbing fact about the current operation is that the young offender is, at best, a spectator in a theatre where other people are the actors. At worst, the young offender is wholly detached and contemptuous of what is going on.

We have had a high-flown debate. I was interested to hear the hon. Member for Ryedale (Mr. Greenway) speaking in Brechtian terms of alienation. He was right to do so, because that is exactly what we witness in the theatre of the youth courts. I have been in youth courts where the young offender was talked at, talked across and talked about, but never talked to. The young offender was never asked to engage his or her brain as to what he or she had done, or why—and, above all, why he or she hurt the victim of that crime. Indeed, under the current system, after the young offender has heard everyone else talk about him or her, he or she might be forgiven for thinking that there is only one victim—the young offender. Often, his or her sense of injustice at being caught and at appearing before the court is reinforced by the excuses that are trotted out on his or her behalf.

Sir Nicholas Lyell: It worries me that what happens in court under the system that will be produced by the Bill will not be so very different from what happens at present. I should be grateful for the Home Secretary's comments on that matter. The young offender will be engaged—rightly so—on the occasion when the restorative aspects of the Bill come into effect. After pleading guilty, the young offender will be sent off to the panel and the panel will then engage him. However, the Home Secretary seems to be confusing those two aspects—I am sorry to use such a harsh word as "confusing". We want to make the point that although restorative justice is extremely valuable, it is too valuable to be used in every case; the courts should be allowed to decide.

Mr. Straw: I do not accept that. I shall deal with the inherent flexibility of the system in a moment. If the right hon. and learned Gentleman had his way, he would be correct in saying that the court procedures, prior to the transfer to the panel, would be similar to current

arrangements. The similarity would reside in the fact that, in every case, the court would have to go through the often time-consuming and, in many cases, unnecessary process of seeking a pre-sentence report. That takes up time and, I regret, does not necessarily leave the court any the wiser. Under the Bill, where other conditions are satisfied and the court decides that neither an absolute discharge nor a sentence of immediate custody are appropriate—or that in some cases, as I shall explain, even if the offence is an imprisonable one, a sentence of immediate custody is not available because of the operation of other provisions—clause 1 will operate automatically to secure a transfer to the panel if the offender pleads guilty. That will help to reduce the time taken in the theatre of the court.

An inherent feature of the arrangements is the long-standing policy of successive Governments and courts of encouraging those who are guilty to plead guilty. To conclude the formal part of the court process by a reference to the panel should act as further encouragement.

Opposition Members have questioned the flexibility of the proposed scheme. I accept what right hon. and hon. Gentlemen have said about the inflexibility of the unit fine arrangements introduced under the Criminal Justice Act 1991. Indeed, other parts of that Act were inflexible. Extraordinarily, I did not protest at the time, although I was doing other things as a member of the Opposition Front Bench. However, I should have protested had I noticed the extraordinary inclusion in the 1991 Act that previous convictions should not be taken into account. It would have been eccentric for even an old Labour Government to introduce such a measure, but, given that the original policy was published when Margaret Thatcher was Prime Minister, I feel that it should be regarded as an abberation.

Sir Nicholas Lyell *rose—*

Mr. Straw: I will give way to the right hon. and learned Gentleman. As the former Solicitor-General, he may have been the author of that abberation.

Sir Nicholas Lyell: I am grateful to the Home Secretary for giving way. My intervention will be very brief.

I am certainly not the author of the abberation. I am afraid that it was deep within the psyche of the Home Office at the time. The judges then construed it in a way that saddened many of us, and they did not get the Home Office out of its hole; in fact, they dug it into a deeper hole, and we had to get it out of the hole later.

Mr. Straw: That may or may not be the case, but I do not recall seeing a Home Office civil servant moving the Second Reading of the legislation that began as the Criminal Justice Bill in 1990. My former constituency neighbour, now Lord Waddington—who was not seen as being on the soft side of the Tory party—was the Home Secretary of the day. Wherever the idea came from, Ministers had clearly discussed it collectively at some length, and had agreed on it. It was not a minor matter. It was not an issue like that involving the Passport Agency, which Home Secretaries may be forgiven for thinking has operated reasonably well for some time—while it is operating well, that is; not otherwise. However, we will not pursue that little excursion.

The circumstances with which the Bill deals are very different from those provided for by the Criminal Justice Act 1991 in regard to unit fines. Flexibility is inherent in the Bill in its present form. Referral will be automatic when there is no absolute discharge or immediate custody. I draw hon. Members' attention to clause 8. There is considerable flexibility in what is actually contained in the contract of a young offender. It certainly does not say, "The case will be transferred to the panel, and this or that must happen." Subsection (2) states:

"The terms of the programme may"—

not "shall"—

"include provision for any of the following".

The subsection makes provision for

"the offender to make financial or other reparation to any person who appears to the panel to be a victim of, or otherwise affected by, the offence".

That amounts to a financial penalty, which the panel can impose, while taking more account of the resources of the young person involved than a court might.

The clause requires offenders to attend

"mediation sessions with any such victim or other person".

It requires offenders

"to carry out unpaid work or service . . . the offender to be at home at times specified in or determined under the programme"—

that means a curfew. It requires

"attendance by the offender at a school . . . the offender to participate in specified activities . . . the offender to present himself to specified persons . . . to stay away from specified places or persons"

and so forth. If offenders refuse to comply with any of the provisions in the contracts that they have signed, they must go back to court and they will be sentenced for their original offence. That is the first part of the flexibility mechanism that has been introduced.

Mr. Boswell: The Home Secretary has explained the provision clearly. Is it not the case, however, that, because the referral is mandatory, it will be a prerequisite for the panel to meet and draw up a contract in each case, even in cases in which—as Conservative Members have tended to argue—referral is inappropriate, and the drawing up of a contract may well be not just otiose but inimical to the cause of preparation?

Mr. Straw: With great respect, I simply do not accept that.

3.45 pm

Mr. Llwyd: When I mentioned resource implications earlier, the Home Secretary shook his head vigorously. Is he now saying that clause 8 has no resource implications?

Mr. Straw: No, I am not saying that. Most measures that are presented to the House have resource consequences. May I refer the hon. Gentleman to paragraph 211 of the explanatory notes? I do not suggest that he has them to hand, but they contain details of the Bill's financial effects. They state—of course, these are estimates—that referrals to youth offender panels will save the probation service around £5.1 million, but will impose costs of about half a million pounds, given the revenue required for fines. Clause 6 will require some

[Mr. Straw]

increased recruitment for training, which will be met by the comprehensive spending review settlement for pilot youth justice schemes in 2000, 2001 and 2002.

Part of the purpose of the pilot scheme is to ensure not just that the scheme works, but that we have clear estimates of its total costs. I cannot say this for certain, but I believe that, if it operates efficiently it will save court costs. It ought to save on legal aid as well. Of course, there will be expenditure on the part of the youth offender panels, but I do not think that the Bill will lead to a great increase in spending overall.

Sir Nicholas Lyell: Will the Home Secretary give way?

Mr. Straw: I must make progress, but I will take one last intervention from the former Solicitor-General.

Sir Nicholas Lyell: I am extremely grateful.

May I ask the Home Secretary about his most recent answer to a question about clause 8? Is he not making the mistake of drawing a parallel with the Children and Young Persons Act 1969? Is it not the case that, according to the Home Secretary's view of the Bill, the courts cannot be trusted to make disposals? I am talking about the inflexibility that means that unless someone is locked up as a result of a custodial sentence, or receives an absolute discharge, the courts have no discretion—the discretion is handed over to the panel. Is that not a big mistake?

Mr. Straw: I do not accept that. It is not a question of trusting the courts; it is a question of whether the magistrates court is the appropriate forum to determine the content of the programme under the referral order. In many cases, experienced youth justice magistrates will be members of the panels.

Mr. Clappison: Will the Home Secretary give way?

Mr. Straw: I must get on with my speech.

In Scotland, issues of guilt and innocence are dealt with by the sheriff—a paid judicial office-holder—rather than by magistrates. The Scottish system has moved away from the idea of magistrates courts dealing with issues involving not just the sentence and disposal of young offenders, but their guilt. Our proposals require people to be experienced and professional. I have a high regard for lay magistrates: I think they recognise that dealing with young offenders requires considerable professionalism and training. Indeed, it is possible that members of the proposed panels might have to be magistrates.

The Opposition asked whether other disposals should be available. First, let me deal with the issue of conditional discharge. It is my judgment—I make no apology for it—that conditional discharge is a hopeless disposal for young people, many of whom will have received a number of conditional discharges, or their equivalent, before even going to court. Unless a grave offence is involved, for which a conditional discharge is not appropriate anyway—I mean a serious offence; I do not mean a grave offence within the meaning of clause 53—the police will have already issued warnings and cautions.

When I visited youth courts, I took exception to the fact that, in some cases, half the disposals were conditional discharges. Those of us who have practised in such courts know all too well that young offenders regard conditional discharges as a case of, "I got away with it again."

In section 66 of the Crime and Disorder Act 1998, we made it impossible for a conditional discharge to be issued by a youth court if a final warning had been issued within the previous two years. In most cases, it would not in any sense be available.

4 pm

There are currently severe problems with the collection of fines, even against adults—so much so that my right hon. and learned Friend the Lord Chancellor and I are extremely concerned. In far too many courts throughout the country, far too many fines are remitted—in other words, cancelled—when defaulters wilfully refuse to pay. Except for a small minority—the older age group—the offenders with which this Bill deals will not have resources of their own, so the idea that a fine would be an appropriate penalty is not realistic.

There has been a great deal of discussion of the case of the young person who goes through a red light, so let us deal with it. Statistically, the most numerous group of young offenders who transgress the red light will be aged less than 17: they cannot have a driving licence because they are under age, so they will be literally driving while disqualified from driving. It is probable that they will also be committing many other offences as well. If they have nicked a car or are driving without a licence, it is a serious offence, not a trivial one. Therefore, even if they happen to jump a red light, it is likely that they have committed other, more serious offences.

There will be a small group of red light offenders aged 17 to 18 who have a driving licence—those who, because one has to wait a bit before getting a licence, are in the last nine months of their 17th year. Because gravity factors are already laid down for dealing with offences, most offenders from that small group who jump a light will get a police reprimand or a final warning under our scheme. They might get a fixed penalty: if they accept it, that is the end of the matter and the new arrangements are not triggered. Also, if they object to the fixed penalty, go to court and plead not guilty, the new arrangements are not triggered because they have pleaded not guilty.

The circumstances in which a young offender has jumped a light and the arrangements are then triggered will be few and far between. My judgment is that, in those circumstances, it may well be appropriate to send the youngster to the youth panel. Youngsters in the 17 to 20 age range can commit extremely reckless driving offences. We know that roughly a quarter of all driving offences are committed by those aged between 17 and 24. In many parts of the United States—a country with which we compete for the best road safety record—if youngsters offend against traffic regulations, they are made the subject of the sort of intervention that we seek, rather than being fined or having their offence treated as a trivial matter. I hope that it is recognised that, in the few circumstances in which the new arrangements are triggered, they are appropriate.

I have one final point on the issue of flexibility. I accept—although I doubt it—that the pilots might disclose that there are inflexibilities unanticipated by the House, or the prospect of which has so far been resisted by the Government. For that reason, clause 2(3) provides:

"The Secretary of State may by regulations make such amendments of this section"—

the one that lays down the triggers—

"as he considers appropriate for altering in any way the descriptions of offenders in the case of which the compulsory referral conditions or the discretionary referral conditions fall to be satisfied for purposes of section 1(2) or (3) (as the case may be)."

Therefore, that flexibility is written into the Bill. The Government have no more interest than the Opposition in ending up with a scheme that is brought into disrepute because of inflexibility at the margin, so we shall watch the pilots carefully.

My final comments relate to the provision in the Opposition new clause that would extend the conditions which have to be satisfied before there can be a referral. It contains the phrase:

"for which a custodial sentence is available".

I occupied the Opposition Front Bench for almost 17 years, and it was always irritating to me when clever-dick Ministers stood up and said that an amendment was "technically defective". None the less, although the Government resist the principle behind the new clause, that phrase itself is so seriously technically defective that, even if that were our only objection to the new clause—of course, it is not—it would be sufficient to make us reject it.

The phrase describes not an offence that is imprisonable for an adult, but an offence in which a custodial sentence is available for the offender before the court. Any imprisonable offence for adults is also an offence for which custody is available for 15, 16 and 17-year-olds; but, leaving aside grave offences, custody is available for 12, 13 and 14-year olds only if the offender has previously been convicted of at least two other similar offences and has breached a supervision order in respect of one of them.

If the new clause were accepted as drafted, we could end up with the curious situation in which, having decided that custody was not going to be used, a court could not use the transfer referral order to the panel because custody was not available for that offender, and therefore had to impose a fine or a conditional discharge. The extent to which the provision is defective and would hobble the court is obvious.

I hope that the House accepts that I have tried to answer, as fully as I can, the points raised by Opposition Members. The provisions are extremely important. If they are successfully piloted, as I believe they will be, and with the backing of the House and the other place, we shall in years to come be able to look back on this period—indeed, on today—as an occasion on which we began the most major reform since the war of the way in which we deal with young offenders.

Mr. Greenway: I am grateful for the right hon. Gentleman's tutorial on life on the Opposition Front Bench. We have no intention of spending anything like as long on the Opposition Benches before returning to the Benches that his party currently occupies. None the less, we are grateful for the manner in which he has responded to our arguments.

Modesty forbids my revealing the source of the phrase that he has just described as technically inaccurate and defective. However, our intention in tabling new clause 1 is to make a fundamental point, which is why I shall shortly invite the House to express its view in the Lobby. I am also grateful to my right hon. and hon. Friends who spoke in support of the general principle of flexibility.

The right hon. Member for Berwick-upon-Tweed (Mr. Beith) failed to explain the Liberal Democrats change of heart on a provision of discretion that his noble Friends in the other place thought so important as to be persuaded to vote in favour of amending a fundamental aspect of clause 1—the "shall" to "may" amendment, to which my right hon. and learned Friend the Member for North-East Bedfordshire (Sir N. Lyell) referred. The Liberal Democrats in the other place supported that amendment, yet, not only did the Liberal Democrat Members in this place vote in Committee against the decision of their noble Friends, but they now speak in favour of the Government's position. We shall be fascinated to see what the right hon. Gentleman's noble Friends make of that when the Bill returns to the other place. I have an inkling that the question of discretion will come up again when, as seems certain, the other place is asked to consider whether the Government's scheme is correct.

Several of my right hon. and hon. Friends spoke in favour of the general principle of additional flexibility. I say to my right hon. Friend the Member for Cities of London and Westminster (Mr. Brooke) that I am glad that we tabled the new clause, not least because of the amusing and enlightening contribution that it enabled him to make. My right hon. Friend, as well as my hon. Friend the Member for Daventry (Mr. Boswell) and my hon. Friend the Member for Hertsmere (Mr. Clappison)—who, not so long ago, moved from shadowing this Department to shadowing education and speaks from considerable experience and knowledge of the Bill—all spoke in favour of a degree of flexibility.

With no disrespect to any of my right hon. and hon. Friends, I shall, in the final analysis, rely more on the contribution of the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd), who has 25 years' experience as a criminal barrister. Although he has difficulty with one or two elements of the new clause, I am sure that he will understand—as I am sure the Home Secretary does—the intricacies of ensuring that we have before us proposals that have not been debated in Committee. It is therefore in order for us to debate those proposals today, and we bore that in mind when drafting new clause 1. In Committee and in the debate today, the hon. Gentleman spoke from experience and pointed out that there is a lack of flexibility in the Bill which will lead to inconsistency, a sense of injustice and, in time, discrediting of the Government's proposals.

There was nothing in the Home Secretary's remarks that responded to the issue, which I addressed in some depth, of on-the-spot fines for young offenders. By delving into clause 8, he served only to heighten our concerns. He effectively concluded that the courts cannot be trusted, a point that my right hon. and learned Friend the Member for North-East Bedfordshire made in an extremely good intervention. The more one considers the scheme, the more one sees the clear discrepancy between what would be included in a youth offender contract and

[Mr. Greenway]

the way in which that young person would be disposed of, for the same offence, if he or she were given an on-the-spot fine or fixed penalty notice.

I find it extraordinary that, knowing that we were likely to have this debate today, the Minister of State found it timely yesterday to table the Fixed Penalty Offences Order 1999.

Mr. Straw: Get off.

Mr. Greenway: The right hon. Gentleman says, "Get off", but in no way have his remarks addressed the point that we have made throughout the debate. If a policeman decides to give a 16 or 17-year-old tearaway a fixed penalty notice, that is the end of it, but the court cannot have the same discretion. What is more, if the case ends up going to court, the same circumstances will result in a referral to a youth offender panel, where within the menu of the contract there is nothing available to the panel that is comparable to a fixed penalty notice.

In addition, the panels are likely to prescribe a different course of action in the contracts that they draw up. There will be a huge variation in those contracts, compared with those of other panels, for precisely the same offence. That, too, is an inconsistency that will be the harbinger of resentment, which leads to alienation and is the very opposite of what the Government are trying to achieve.

4.15 pm

The Government could, particularly in Committee, have accepted that their clause is too narrowly drawn. I thought that at the very end of his remarks, the Home Secretary almost admitted that the power that he has under clause 2—which is, in any case, incorporated into our new clause—to vary all the provisions in the light of experience means that perhaps the Government have not got this right and will have to return to it in the future.

The Government will, in any case, run into choppy waters in the other place over this issue. It is disappointing that they have not felt able at least to admit that a tiny degree of extra flexibility ought to be incorporated into the Bill. On Report, we discuss new clauses and amendments tabled by the Opposition to make a point about the Government's Bill, and those new clauses and amendments are bound, on occasion, not to have been drafted entirely correctly—but I do not believe that that should dissuade Opposition Members from pressing the point.

We invite the House to support new clause 1 in the Lobbies because we genuinely believe that the Government are making an error of judgment. When that error comes to light, we shall at least have the satisfaction of being able to point to our attitude to the Bill, and, in years to come, the opportunity in government of putting it right.

Question put, That the clause be read a Second time:—

The House divided: Ayes 118, Noes 296.

Division No. 230] **[4.17 pm**

AYES

Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Cash, William
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cran, James
Davis, Rt Hon David *(Haltemprice)*
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Flight, Howard
Forsythe, Clifford
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Garnier, Edward
Gibb, Nick
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Hamilton, Rt Hon Sir Archie
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Maples, John
Mates, Michael
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
Moss, Malcolm
Norman, Archie
Ottaway, Richard
Paterson, Owen
Pickles, Eric
Prior, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Simpson, Keith *(Mid-Norfolk)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, Rt Hon John D *(Strangford)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Thompson, William
Townend, John
Tredinnick, David
Trend, Michael
Trimble, Rt Hon David
Tyrie, Andrew
Viggers, Peter
Wells, Bowen
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Wilshire, David
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. Geoffrey Clifton-Brown and
Mrs. Jacqui Lait.

NOES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Ashton, Joe
Atherton, Ms Candy
Austin, John
Barnes, Harry
Barron, Kevin
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Beith, Rt Hon A J
Bell, Martin *(Tatton)*
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Benton, Joe
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brand, Dr Peter
Breed, Colin
Brinton, Mrs Helen
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen

Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Rt Hon Stephen
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Corbyn, Jeremy
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Cryer, John *(Hornchurch)*
Cummings, John
Cunliffe, Lawrence
Curtis–Thomas, Mrs Claire
Darvill, Keith
Davey, Valerie *(Bristol W)*
Dawson, Hilton
Dean, Mrs Janet
Dismore, Andrew
Donohoe, Brian H
Dowd, Jim
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Maria *(L'pool Garston)*
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Fyfe, Maria
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Andrew *(St Ives)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Goggins, Paul
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Heal, Mrs Sylvia
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Hewitt, Ms Patricia
Hinchliffe, David
Hodge, Ms Margaret
Hood, Jimmy
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Iddon, Dr Brian
Illsley, Eric
Ingram, Rt Hon Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Keetch, Paul
Kelly, Ms Ruth
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Lepper, David
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Livingstone, Ken
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Rt Hon Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McFall, John
McIsaac, Shona
McKenna, Mrs Rosemary
McNamara, Kevin
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Meacher, Rt Hon Michael
Merron, Gillian
Michie, Bill *(Sheff'ld Heeley)*
Mitchell, Austin
Moffatt, Laura
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morris, Ms Estelle *(B'ham Yardley)*
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Öpik, Lembit
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pickthall, Colin
Pike, Peter L
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Radice, Rt Hon Giles
Rammell, Bill
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Jeff
Rowlands, Ted
Roy, Frank
Ruddock, Joan
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Short, Rt Hon Clare
Singh, Marsha
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Southworth, Ms Helen
Starkey, Dr Phyllis
Steinberg, Gerry
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Tonge, Dr Jenny
Touhig, Don
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

Tellers for the Noes:
Mr. David Hanson and
Mr. Keith Hill.

Question accordingly negatived.

Schedule 1

YOUTH OFFENDER PANELS: FURTHER COURT PROCEEDINGS

Amendments made: No. 2, in page 52, line 9, leave out 'sentences' and insert 'deals with'.

No. 3, in page 53, line 8, leave out 'those paragraphs' and insert 'paragraphs 11 and 12'.—*[Mr. Boateng.]*

New Clause 3

CONDITIONS FOR MAKING AN ORDER UNDER SECTION 44(5)

'.—(1) Before making an order under section 44(5), the Secretary of State shall—

(a) publish a notice of his intention to make such an order and the reasons for his decision; and

(b) consult such persons as appear to him to be representative of news gathering and reporting organisations and any other persons he considers appropriate.

(2) The Secretary of State shall not make any order under section 44(5) until six months after the date of publication of the notice of intention under subsection (1)'.—*[Mr. Greenway.]*

Brought up, and read the First time.

4.30 pm

Mr. Greenway: I beg to move, That the clause be read a Second time.

As I did in Committee, I remind the House that I have an interest as a consultant to ITV Network Ltd., but none of the matters that we are to debate this afternoon are of concern to the broadcast media. Indeed, as I said in Committee, it is the printed media rather than the broadcast media that have residual concerns about the provisions of clause 44.

Clause 44, which was previously clause 43, seeks to clarify the law on press reporting restrictions on the identification of children and young persons under the age of 18, who may have been involved in criminal offences. The proposals as originally drafted, before the Bill began its passage through the other place, gave rise to huge anxiety and concern that they were too far-reaching and would seriously inhibit media, particularly local and regional newspapers, from reporting criminal incidents of a more or less general nature.

Several well-known crimes were cited as events that the press would have been restricted in reporting. The appalling murder of James Bulger was one. Another was the horrific tragedy at Dunblane. The Bill does not apply to Scotland, but had such an incident occurred in England, it would have been subject to the provisions. Perhaps the most accurate example was the attack on a school playground in Wolverhampton, in which a number of children were injured and considerable bravery was displayed by a teacher, Lisa Potts.

Arising from those concerns, changes were introduced in the other place, including some important defences to publication. One such defence would be that permission had been granted by the parents or guardians. Another would be that the criminal investigation in respect of the incident had not begun, although we still are not clear how wide or narrow that window is likely to be in practice. A third would be the inadvertent reporting of the identity of a young person. The final such case would be one in which the reporting could be considered to be in the public interest, as defined by the open reporting of crime.

Those changes were welcome and we supported them, but the position was still not satisfactory. Many right hon. and hon. Members have been contacted by their local newspapers with expressions of concern about the implications of the restrictions for the reporting of relatively routine incidents. In particular, it was stressed that the local press often play an important and beneficial role—for example, when an incident such as a kidnapping has occurred—in helping the police to trace the whereabouts of the people concerned.

Such an incident occurred recently in the Home Secretary's constituency, Blackburn. As a result of co-operation between the police and local media, the young person, who sadly had fallen into the control of a known sex offender, was located and taken back to his home and to safety. There is no doubt that the press often report such incidents responsibly and constructively, with beneficial consequences for the criminal process.

Miss Julie Kirkbride (Bromsgrove): Will my hon. Friend make it clear that we are discussing circumstances in which young people under the age of 18 are the victims of crime, not the possible perpetrators of the crime?

Mr. Greenway: I am grateful to my hon. Friend, who has considerable experience of these matters. It will become clear that there is a differentiation along the lines that she suggests. That is the essence of our concern and the point of the new clause.

In Committee, in response to the anxieties that I have outlined, the Government tabled an amendment that limited the effect of the immediate prohibition on reporting to the identification of young persons under the age of 18 who were likely to be the accused or the defendant in a criminal case. With regard to victims or witnesses to a criminal incident, the provision will have effect only if the Secretary of State has laid an order that is debated and approved subject to the affirmative resolution procedure of both Houses.

We must consider whether there is a case for a wider prohibition than is currently enshrined in our law in respect of a young person who may be a defendant or an accused in a criminal court. Having given the matter a great deal of thought, Conservative Members have accepted, as I told the Minister in Committee, that perhaps there is such a case.

Perhaps the most celebrated example of the type of abuse that the Bill would now prevent was that of Mr. Adam Dent, an extremely bright 15-year-old who was already an undergraduate. He was falsely accused of rape and his academic career was ruined as a consequence of the publicity. He was not only not convicted but never charged. I have done a little research since the Bill was in Committee and I understand that that case took place when the previous Government introduced the Crime (Sentences) Act 1997. Some consideration was given to whether a prohibition such as that which the Government are introducing in the Bill might have been appropriate to that legislation, but one could not be incorporated because the content of the Bill restricted the actions of the then Government and they could not make such an amendment.

Although we are prepared to accept that there is a case for strengthening the law further to protect young persons who have been accused of a crime, some concern remains. The Minister will be aware of a case that has been cited in the general discussion about the provisions. A 16-year-old girl was arrested as she emerged from a tunnel from which she had been protesting about a road development and a picture of her beaming face appeared across the top of the front page of *The Times*; I am told that the photograph is still on its website. She was

identified by every national newspaper except one. She was never prosecuted. Clearly, if such an incident arose again, national newspapers would have to rely on some of the other defences and it remains to be seen whether those defences will prove adequate.

In spite of our agreement that there is a case in principle for further change, it is likely that the new provisions—even in respect of young persons who are defendants—will cause some difficulty and in due course will test the Home Secretary's willingness to work with the Press Complaints Commission to discuss and review the best long-term approach to these matters. I hope that those remarks are helpful to the Minister.

We come now to the nub of the current continuing difficulty. The Government provided some relief for victims and witnesses and for local newspaper editors by deciding, with the support of the PCC, to incorporate in the Bill the requirement that those prohibitions will not apply to a young person who is a victim or a witness unless and until the House and the other place agree an affirmative resolution in respect of an order to be laid by the Secretary of State. I challenged the Minister in Committee by suggesting that that was an apparent climbdown. I use the word "apparent" advisedly, because we still do not know the Government's long-term intentions.

I tried to test the Minister on that issue in Committee, but his answer was not entirely reassuring. I have revisited what he said. I am not in any way challenging the sincerity of his remarks; I am simply drawing attention to their inadequacy in respect of providing reassurance for the print media. He said

"the provisions should not be implemented after Royal Assent unless there has been a further debate in both Houses."—[*Official Report, Standing Committee E*, 29 June 1999; c. 232.]

He gave no indication of what the time scale for such a course of events might be. He also said that the Government did not intend the proposals to have the force of law unless the Secretary of State brought forward an order, subject to affirmative resolution of both Houses, to the effect that the provisions be enacted. There was no suggestion of the timetable.

4.45 pm

Mr. Peter Viggers (Gosport): I am confused about this matter and I wonder whether my hon. Friend can help me. Does he anticipate that the order made by the Secretary of State will be general, allowing the provision to be implemented in all cases, or will it relate to specific individuals and specific offences?

Mr. Greenway: I anticipate that it will be general. As I understand the scheme that the Government have agreed with the PCC and my noble Friend Lord Wakeham, the provision will not be implemented unless and until an order is made to implement it and both Houses will have the opportunity to hold a debate on the affirmative procedure to say whether they approve of it.

We are not clear about the Government's long-term intentions. Although there is now a sense of relief and they are off the hook because they have accepted an amendment, we are left with the prospect of the provision, which has caused such concern to regional and local newspapers in particular, lying on the statute book waiting for the day when the Home Secretary gets up one morning, decides to lay the order and asks both Houses to approve it in a week or two.

I may have exaggerated what might happen, but that is where we stand. We need more clarification of the Government's long-term intentions. Are they in favour of or against implementing the provision? If they have decided that it is not such a good idea, why incorporate it in the Bill in the first place? What is the point? Why was it not agreed before we began Committee proceedings that there should be a prohibition in respect of persons under 18 who are likely to be the accused in a criminal trial? The witnesses and victims could have been left out of that altogether. But no, the provision remains in the Bill and we have simply this order-making power.

Given that the provision has been incorporated, one can assume only that the Government want to retain the opportunity in case at some future date they are minded to implement it. Today we need to know what the circumstances are which would prompt the Government to implement this provision through the order-making power. I put that question to the Minister in Committee but, as I am sure the hon. Member for Colchester (Mr. Russell) will agree, answer came there none. That is why we are seeking further answer today.

Furthermore, the correspondence between the Home Secretary and my noble Friend Lord Wakeham, which the Minister kindly placed in the Library and I have now had the opportunity to review, makes it clear that in any event the PCC has agreed that there will be a review of the code of practice which relates to the protection of children who might be harmed by publicity in relation to a crime in which they were involved. That encourages me to return to my earlier point: in such circumstances if the PCC is undertaking its review, surely it would be better to remove the victim and witness provision from the Bill and await the outcome of the review. Sadly, that is neither the Government's choice, nor the option before us today.

We tabled new clause 3 with three clear objectives. When the Minister responds I hope that he will treat them in the spirit in which they have been proposed and try to give not just us but a lot of worried editors in local newspapers some greater reassurance. Our first objective is to have that greater reassurance about the circumstances which might persuade the Home Secretary to make an order under this provision. What do the Government have in mind that makes them want to keep the provision in the Bill? The second objective is to give voice to the anxieties of local newspaper editors who, from all our experience, generally take a responsible attitude to reporting incidents involving young children. I know that point is of concern to the hon. Member for Lancaster and Wyre (Mr. Dawson), who raised it in Committee. The third objective is to impose a better framework for the order-making power, should the Home Secretary decide that it were appropriate to implement it.

In the spirit of the reassurances already given, one assumes by implication that the Government are not currently minded to implement these provisions, but we have to accept that the circumstances could change. If they do and the Home Secretary decides to implement this, he would have nothing to fear from a requirement, such as that in the new clause, to announce an intention to bring forward the order and state his reasons. In all respects this first element of new clause 3 is entirely

[Mr. Greenway]

unexceptional and unobjectionable. It simply requires the Secretary of State to state that he intends to make an order and to give his reasons for doing so.

The second element is that the Secretary of State, having made his announcement, should consult. This might occur several years hence when there might be a different Home Secretary and, with any luck, a different Government. Surely consultation would be appropriate. It is unthinkable that the Home Secretary would feel it unnecessary to discuss the issue again with print and broadcast media. It is entirely likely that local newspapers would want to talk to their local Members of Parliament about their concerns about what the Government have in mind. Indeed, if the check of an affirmative resolution of both Houses is to have any value, right hon. and hon. Members will need to know how they are to use their vote. If there is to be no consultation and they are simply to be whipped through the Lobby in five seconds flat because the order has been laid and they have been told to vote for it, that provides no protection whatever. Therefore, we need consultation so that right hon. and hon. Members will know how to vote or, if they are being told to vote for it, at least they will have discussed the matter with their local newspaper and will understand the implications of it for that paper.

Furthermore, there must be consultation to take account of the implications of an order for all aspects of self-regulation of the press and the review of the code of conduct, which the PCC is undertaking and which has been published in the letters that have been laid in the House. It is entirely reasonable to have consultation on a proposal to lay an order.

Subsection (2) of new clause 3 would require a six month delay. Surely time for reflection on the introduction and imposition of such a draconian press reporting prohibition would not be a bad idea. We often talk about the need to avoid knee-jerk legislation. Such a reaction is a bad idea, but it takes five or six months to get primary legislation through the House, unless there is agreement on a fast track approach. An order-making power that is subject only to affirmative resolution could be through the House in two or three weeks. What is wrong with requiring a six-month delay before making an order?

We should resist the temptation to make an order as a knee-jerk reaction to a gross abuse committed by one element of the tabloid press. The best response is to give time for reflection. The local and regional press may have acted responsibly following the enactment of this legislation. They should not be penalised because of the wrongdoing of one tabloid newspaper, which committed such a gross abuse that everyone said something must be done about it. People may say, "The order-making power is already in the Bill, so what's the reason for delay? Let's get on with it." However, we think that it would be no bad thing to have a six-month delay.

If the Government, on reflection, have decided that they will not implement this provision for the time being, and are persuaded by the argument that it will, hopefully, not be necessary, what is wrong with incorporating a six-month delay as a safeguard?

Those are reasonable safeguards and make better sense of the Government's position. They do not inhibit the power to impose the restriction, but they would enable local newspapers and other responsible media to ask the Home Secretary to think again if he were minded to make an order under clause 44(5). Most important of all, it would give right hon. and hon. Members the chance to reflect on and understand the implications and consequences of a decision to restrict press freedom in an important area of public life if the public have a genuine right to know.

The new clause is the very minimum that the House should expect and insist on from a Government who preach the doctrine of freedom of information, and I commend it to the House.

Mr. Viggers: As I have not previously spoken on the Bill, may I say that I welcome it in general terms? Some of us occasionally go out with our local police force and see the behaviour of young people late at night, and we have all heard about young people committing burglary offences. Whatever the crime, the gap between the commission of the alleged offence and the bringing of the offender to trial must be kept as short as possible. That is the main thrust of the Bill, and I very much welcome it.

The detail is important, and we are discussing a particular point about publicity. The courts in England and Wales operate on the principle that court business should be conducted openly. That is an important part of our justice system. Under the Contempt of Court Act 1981, the court may, in certain circumstances, prohibit the name and address of an individual being revealed. As the law currently stands, there are also important provisions protecting young people, specifically section 39 of the Children and Young Persons Act 1933, which allows a court to prohibit the reporting of the name, address, school or other particulars that identify children and young persons under the age of 17.

5 pm

I come to my first question to the Minister. I have not taken part in the Committee stage of the Bill, so I would be interested to know why the Government propose to restrict reporting of young people under the age of 18, rather than 17. The age at which restrictions may be imposed is being increased, whereas in most other sectors—I think particularly of homosexual law so-called reform—the age is being reduced. I should be grateful if the Minister would remind hon. Members why, in the case of reporting restrictions, the age is being increased, so that people under the age of 18, rather than 17, are protected.

I welcome the fact that the clause relates not only to England and Wales, but to Northern Ireland and to courts-martial. I am always vigilant to see where legislation shall apply. When I was a Northern Ireland Minister, it seemed strange that, frequently, I had to come to the House to introduce legislation relating to Northern Ireland that replicated legislation that had been introduced for England and Wales. In so far as it is possible, legislation that applies to the entire United Kingdom should be introduced.

Similarly, as Chairman of the Select Committee on Defence on two of the past three sessions when it has considered the Armed Forces Bill—the Bill to change armed forces legislation specifically relating to courts-martial and other matters—I welcome the fact that courts-martial are specifically referred to in the Youth Justice and Criminal Evidence Bill. Again, wearing my

hat as Chairman of the Select Committee, it seemed strange that courts-martial should be subject to separate legislation. Again, one would like legislation to be applied to England, Wales, Northern Ireland and courts-martial.

The central point of the new clause is to ask whether the Government have decided to implement clause 44(5). I was surprised when I read how broadly it was drafted. It simply says that subsection (4)(b), which restricts publication in cases of witnesses, or those who have been victims of crime, will apply

"on or after such date as may be specified in an order made by the Secretary of State."

It does not say whether the Secretary of State must introduce an order to implement the whole of subsection (4)(b); I should like to know the answer to that question. Will the Government introduce a broad order that will implement all of paragraph (b), or will it be open to the Government to decide, for example, that that paragraph will apply only to witnesses? Will they perhaps introduce legislation by affirmative resolution to ensure that subsection (4)(b) will apply only to individuals against whom an offence is alleged to have been committed?

The provision is extremely broad and confirms the view that I have had for a number of years that amendments to existing legislation and legislation brought in rapidly tend not to be good legislation. It would be far better if the Government, having not made up their mind on the point and having left it wide open, subject only to affirmative resolution, left the matter and decided that, if they wished to implement the necessary legislation, they would introduce primary legislation.

The manner in which the House is treated by the Government means that we are not overtaxed in terms of legislation. The House could discuss matters of great note for a longer time. The terms of the Bill are far too loose, wide and arbitrary. Knee-jerk reaction to events in the tabloid press can often lead the Government to introduce bad legislation. Do I hear the words, "dangerous dogs"? I ask the House to support the entirely reasonable new clause, which has been effectively moved by my hon. Friend the Member for Ryedale (Mr. Greenway).

Mr. Bob Russell (Colchester): Does the Minister recall the Standing Committee's first sitting, on 25 May, when I mentioned that there would be disagreement about the Bill's reporting provisions? I went on to say:

"I urge the Government to think seriously about the media's reservations."—[*Official Report, Standing Committee E*, 25 May 1999; c. 5.]

Does he agree that that one sentence, on which the Government acted, did more to alter the Bill's course than the hours of waffle that we have heard from the hon. Member for Lymeswold—the hon. Member for Ryedale (Mr. Greenway)?

In a previous career, I was a court reporter, and I am approaching the issue from that perspective. Will the Minister tell us why, if there had been so much discussion and liaison with the media, the draconian ban on reporting was proposed initially? I suggest that, far from encouraging less court reporting—especially in the weekly and provincial media—we should be encouraging greater coverage of court cases.

Since the Government's amendments were tabled in Committee, what further representations have Minsters received from the Newspaper Society and the Guild of Editors—who represent those working in the real newspaper world, and have experience of producing weekly and evening newspapers?

In Committee, the Minister gave the impression that everyone in the newspaper world believed that the Government's amendments would resolve the problem. However, they do not believe that. In an ideal world—as hon. Members have already said—the provision would be withdrawn and proposed again later, so that it might be debated fully. Presumably, however, we are simply being asked to accept the lesser of two evils.

The vast majority of cases involving young children that are reported are reported in the weekly and provincial press. Newspapers are wedded to their communities—to which they have a responsibility—and, indeed, behave responsibly. I again ask the Minister to give an assurance that the one or perhaps two occasions on which a national tabloid newspaper has gone over the top will not be used as an excuse for a blanket ban on the weekly press.

I received a letter from the editor-in-chief of Essex County Newspapers—which produces two evening newspapers and various weekly newspapers in the county of Essex—in which she states:

"Editors and media experts fear that"—

the Youth Justice and Criminal Evidence Bill—

"will prevent publication of matters of legitimate public interest . . .

The Bill will make it an offence for the media to identify under 18-year-olds who might be victims, witnesses or the perpetrators of crimes under investigation. The ban will last until legal proceedings (if any) commence or the young person reaches the age of 18."

The provision is a threat to freedom of the press. It would prevent the media from carrying a great deal of inoffensive and unharmful material. Indeed, many items that serve the public interest, by highlighting the effect of crime, would be banned. A newspaper would be barred, for example, from publishing a report about a 17-year-old pop singer who had a precious gold record stolen. It could also prevent a newspaper from printing an interview with a 17-year-old student who saw a fight break out on a football terrace—which is not something that ever happens in Colchester, although it does happen elsewhere.

It is true that an editor could escape prosecution by pleading before magistrates either that the material was in the public interest or that the parties, or their guardians, had given written consent. However, the presumption against publication would serve to discourage the media from pursuing such stories.

Protecting young offenders is not the point of the provision, as they are already provided with anonymity under current legislation. Neither is the point to protect victims of sex offenders, as they, too, are already provided with anonymity.

Irene Kettle, the editor-in-chief, continues:

"My concern is that the media will find itself unable to properly report a wide range of events if everyone under 18 who is either a victim of any crime or a witness must be anonymous . . .

It is unclear when the ban would become active. Would, for example, a young accident victim or missing child have to stay anonymous because of police involvement and the possibility of a prosecution?"

She later says:

"The public interest defence is unsatisfactory. It would place editors in the position of having to second guess a court's attitude."

[Mr. Bob Russell]

The new clause relates to the Government amendments moved in Committee in response to the criticisms of the original draft of the Bill on reporting restrictions. We welcome the Government's movement on the issue, but it is only one step and many more are required. The Government amendments were designed to ensure that the reporting restrictions in the Bill relating to young victims and witnesses could be implemented only if a draft order to that effect was approved by affirmative resolution procedure in both Houses. Following widespread criticism of the proposals, the Government have chosen to suspend the implementation of the reporting restrictions and have said that they want regulation to work. We all hope that it will.

In Committee, the Minister said:

"Given the reach of clause 43's restrictions and the number of reports that they might affect, and given the possibility that our aims might be achievable through other means, it is right that the provision should not be implemented after Royal Assent unless there has been further debate in both Houses. If the amendments are accepted, we"—

the Government—

"are bound to undertake to keep the case for implementation under regular review, and I am happy to give such an undertaking."—[*Official Report, Standing Committee E*, 29 June 1999; c. 232.]

We have said all along that we understand and share the Government's aim to provide greater protection for the privacy of young victims and witnesses. However, the Government seemed to get into a mess with their original proposals—otherwise why the rushed amendments? It became clear that the scope of the restrictions and the practicalities were not thought through—again, otherwise why the Government amendments?

The new clause would ensure that should the Government—or a future Government—decide to go ahead with the proposals, an order would have to be placed before Parliament for approval and the Government would be required to consult representatives of the media—more than just Lord Wakeham. A delay of six months before implementation would also be imposed. We appreciate the thinking behind that. It seems clear that consultation was non-existent or substandard before the Bill was published and it is understandable following that failure that we should want to impose a requirement for consultation in future.

The Newspaper Society has welcomed the Government's amendments in Committee, but it feels that the proposals are still hanging over the newspapers. That is particularly true of the weekly and provincial press. I should be happy if the Minister could divide the proposed ban—if it ever came in—to put the national press in a separate category from the responsible provincial weekly press.

The new clause would mean that at least representatives of the media would be guaranteed further consultation if any Government decided to go ahead with the proposals. We support the new clause and we invite the Conservatives to press it to a vote.

Miss Kirkbride: I do not really have an interest to declare, but before I became a Member of Parliament I earned my living as a journalist on a national daily newspaper. It could be said that the interests of my former colleagues give me a specific interest in the debate, but I do not have a financial interest. I share the concerns expressed by my hon. Friend the Member for Ryedale (Mr. Greenway).

We are concerned because of the original proposal. The fact that the Government entered the debate by suggesting a blanket ban on the reporting of any person under 18 who was involved in any way—as the accused or the victim—in a potential criminal offence leads us to have suspicions about their motives.

5.15 pm

It is right and proper that the Government have climbed down by taking on board the legitimate concerns of the press. However, the fact that they started with a draconian ban—which would have been unworkable and unacceptable—causes us concern. I therefore support our aim to restrict the Government's ability to introduce a ban in this area.

The use of affirmative resolutions may be dangerous, as major changes to public policy must be made by the proper legislative procedures. They must go through both Houses of Parliament and all stages. There should not be a one-off vote late at night, when many of us may not be totally aware of what is proposed. The proposal must be in the Bill and not in the small print, waiting for a moment when the Government think that they can get away with it.

The new clause must be considered; a resolution could not be pushed through as a result of the six-month consultation period. There would be no question of the Government bouncing the proposal through on the back of disinterest, lack of understanding or potential emotion following an incident that has caused public anxiety.

My hon. Friend the Member for Gosport (Mr. Viggers) asked why we are now talking about the age of 18 for reporting restrictions, when many other activities are licensed at 16 or 17. The extension of the protection of anonymity to the age of 18 seems intriguing.

For victims, or the accused, at risk of potential embarrassment by being named in court—I am thinking of rape victims—there is anonymity. However, we are concerned that the Government are proposing to give anonymity in matters that go beyond sexual offences.

We do not know whether the Government are proposing a blanket ban on naming all victims of criminal offences under the age of 18, or a specific ban in certain circumstances. For example, would it have been possible, desirable or rational to try to introduce a ban on the reporting of what happened at Dunblane? The Scottish example is inappropriate, because Scotland has a different criminal law. Sadly, however, such an event could happen anywhere in the United Kingdom. It is simply not reasonable that the British public should not be informed. The press may have behaved badly at Dunblane, and I do not wish to defend some of the actions of my former colleagues. There may have been painful intrusion into the parents' bereavement, but it is not right to restrict the ability of the press to report an incident such as Dunblane.

A road accident might lead to a criminal investigation. A group of young people died in a bus in my constituency. If a criminal investigation had resulted, perhaps because of the involvement of a drunk driver, would the national or local press have been banned from reporting the accident, which of course was a matter of huge public concern in my constituency and beyond?

What do the Government have in mind? Sadly, young people are sometimes kidnapped by paedophiles for their sexual gratification. Surely the press should be able to report that. The police say that the evidence that they get from the public in the first few days of an investigation, when the incident gets into the press and causes a sensation, often helps them to put together a picture of the offender. I cannot believe that the Government intend to block that.

In all the instances that I have mentioned, the public interest is hugely served by the press being able to report. The Government are setting out to protect the victims, but often they are protected by the facts becoming known. The press should not have to worry about a public interest defence and obtaining consent for publication. The parents in a kidnapping, for example, would be totally traumatised and incapable of a rational decision.

What circumstances could possibly arise in which the Government would want to give anonymity to victims under 18? Do they intend a blanket or a specific ban? If they intend a specific ban on a named individual, how can they hope to legislate through Parliament quickly enough to stop the press publishing? The House, I am pleased to say, does not sit seven days a week, 52 weeks a year. I can only assume that the Government intend a blanket ban. I fail to understand how they will be able to take account of the circumstances that I have described.

Will the Minister give us a very concrete, albeit hypothetical, example of circumstances in which he would use the provision and explain why it would protect the victim under the age of 18? Why should the House give the Government a legislative vehicle to introduce what would, in my view, be an unacceptable restriction on press freedom?

Mr. Dawson: I shall make a brief contribution. It is saddening and unfortunate that so few Conservative Members recognise the crucial element of this matter. They have spoken—rightly—about press freedom and the public interest, about the need to know and about the rights of the press in a free society to report news, but they have not mentioned the interests of children.

The Government's approach is balanced, proper and responsible. I hope that Conservative Members will consider the coverage of children and childhood that appears in the local press, as well as in the national tabloids. I contend that the press does not understand children and the reality that they face in this country, nor that childhood is a time for exploration, growth and development.

What are the Government's reasons for proposing this measure? That question has been asked rhetorically, but I shall answer it. The proposals are necessary precisely because the years before 18 are the time of childhood. Young people below 18 have no vote and play very little part in civic society. They have few forms of redress, and they lack the confidence to engage with their local press.

Mr. Bob Russell: If things are so bad in the weekly provincial press, why have the Government agreed to defer implementation of the proposal?

Mr. Dawson: I think that that deferral stems from the balanced approach that the Government have adopted. The solution lies with the responsible press and with Conservative Members. In Committee, I wondered why editors and journalists, both locally and nationally, do not talk to young people about the coverage that they are given. That is a serious point. What are the perceptions of young people's organisations of the way in which young people are treated?

Miss Kirkbride: I am interested in the hon. Gentleman's remarks. The proposal is to ban items in the press covering possible criminal offences whose victims are under 18. Will the hon. Gentleman give a specific example of when such a ban would be right?

Mr. Dawson: I was about to give an example of detrimental coverage, which involved a young victim of sexual abuse—one of the most serious crimes conceivable. The crime was reported in the local newspaper. The victim's relative was taken to court, and neither perpetrator nor victim was identified. However, the headlines were excruciating. The treatment of the story was grossly insensitive. Nothing in the paper said who that young person was or where she lived, but she knew who she was, and she was mortified by the reports of her case.

5.30 pm

The Government are trying to reflect the fact that even when serious offences are quite properly reported, the press should be far more sensitive to the experience of victims, especially children and adolescents who face a mixture of dilemmas, confusions and difficulties.

Miss Kirkbride: The hon. Gentleman's example would not be covered by the Government's proposals as it is already covered by restrictions on identifying victims of rape. A blanket ban on identifying people under 18 would make no difference. Press coverage would be even more general if it were restricted as the Government propose.

Mr. Dawson: I do not agree. My point is more wide ranging and subtle than that. Opposition Members are being complacent, and they should recognise the problem. Neither in Committee nor today have I heard any Opposition Member recognise insensitive press reporting of children. Children are routinely described as being the root of problems. Children in care—about whom I may feel unusually sensitive—are routinely described either as villains or, in the most saccharine and cloying terms, as victims.

Mr. Viggers: The hon. Gentleman is obviously concerned about reporting of the cases of young people under the existing law. Does he favour implementing subsection 4(b), and if so, why not now?

Mr. Dawson: The Government are wise to strike a balance and to give the media an opportunity to reflect, as all of us should, on its attitudes towards young people. We should listen more to children and take more account of what they say. If the media could do that, we might resolve some of the problems with which the Bill is intended to deal.

Mr. Llwyd: I regret to say that I found the remarks of the hon. Member for Lancaster and Wyre (Mr. Dawson)

[Mr. Llwyd]

rather patronising. He implied that Opposition Members have no regard for the rights of children, and I am sure that I speak for all of us in disagreeing with him. I am vice-chairman of the National Society for the Prevention of Cruelty to Children in Wales, and I have consistently advocated the rights of children since I was elected to Parliament. I shall continue to do so.

My commitment does not undermine my need to examine legislation. If I thought that the Government's proposal would further the interests of children in any way, I would not speak against it, and I should be obliged if the hon. Gentleman would not adopt such a patronising stance. Speaking as a father, I can say that we all respect children.

Mr. Dawson: May I make it clear that I did not intend to be patronising? I am aware of the hon. Gentleman's commitment to children's rights, and am glad to hear him express it.

Mr. Llwyd: I am grateful to the hon. Gentleman for that acknowledgement and for putting the record straight.

This part of the Bill will have huge repercussions. Earlier, the hon. Member for Ryedale (Mr. Greenway) used the word "draconian"; that might be an understatement. The hon. Member for Colchester (Mr. Russell) described the offence that would be created. The only way to avoid the risk of prosecution is for editors to apply to a court to lift the ban when it is in place.

There are other concerns about the procedure. The Home Office suggests that the police will decide when the ban is triggered, and that the police will be the first to apply for a court order in such cases. In relation to free speech, are we happy for the police to acquire even greater influence over what can or cannot be published before legal proceedings? Will there be a risk of public prosecution if editors publish uncontroversial stories that magistrates do not like?

I too have seen disgraceful reports, but they are not the general rule; they are very much the exception. By and large, our regional press are extremely good; they serve the interests of the public and of politicians. They do a darn good job. We should not tar them all with the same brush because of the one or two instances of indefensible behaviour to which reference has rightly been made.

A ridiculous situation is envisaged in the measure: that if a group of youngsters were to be named, it would be possible to ask for permission beforehand. That is rather cumbersome. The veto would further complicate matters; it could be manipulated to avoid publicity—for example, where a parent might be in dispute with a local authority as to the standard of its care of his or her child. Even a technical objection would neither give nor veto consent. The public interest defence to which the hon. Member for Colchester referred is not a catch-all to meet concerns. Day in and day out, editors will no doubt be at risk of committing a criminal offence for routine reporting.

Of course, the type of reporting to which the hon. Member for Lancaster and Wyre referred should be criminal behaviour. However, such reporting does not occur often, thank heavens. By and large, we have a responsible press. Like all hon. Members, I receive letters from the regional press. I refer especially to the *Western Mail* and the *Daily Post*—the daily newspapers that serve Wales. Those papers do a good job, although they do not report enough of my party's doings—I shall not go into that now. *[Interruption.]* However, to be serious, they do a reasonable job. I have been reading those newspapers for about 30 years and, with hand on heart, I can say that I have never seen a report of the kind referred to by the hon. Member for Lancaster and Wyre. No doubt, he was talking about a tabloid report.

We must try to put the matter into context. Do we really want editors to be constantly looking over their shoulders, having to second-guess whether a court would decide that a public interest defence will succeed or fail? That is not healthy for any kind of press. It is not healthy for freedom of speech—as was pointed out earlier. The measure is astonishing from a Government who are talking about freedom of information.

Editors would be able to plead public interest or written consent in defence before a magistrates court. However, if the Crown Prosecution Service decided to prosecute for the identification of witnesses, the only defence would be that the editor did not know that the ban had been triggered and that the material published identified the young person concerned. It is a tenuous and unsatisfactory matter. The Government have not proved the need for automatic restrictions—especially on the identification of young witnesses. That is not justified.

It is questionable, at least, whether the Bill conforms with article 10 of the European charter relating to freedom of expression. Apart from the uncertainty about when the ban is triggered, there are problems over the written-consent defence, and the reasons why a public-interest defence application for the ban to be listed for the sake of justice might not well apply to many uncontroversial stories.

Of course, the papers can go to the trouble of finding a magistrate or instructing a lawyer, but that is not really practicable, especially in the case of the regional press. I feel that a rather large sledgehammer is being taken to crack a rather small perceived nut. Let me again refer to the section 39 orders, which apply to the identification of youngsters. Evidence suggests that magistrates will be restricted, and that cannot be good for free speech.

Finally, let me say that the absence of a requirement for the Attorney-General's fiat for prosecutions deprives the media of a safeguard, in the form of consistency in prosecution policy. I consider that to be a public-interest matter, and a very important one.

I have the greatest possible regard for children's rights, and if I thought they were being infringed I would not be speaking in this way. I sincerely believe, however, that this part of the Bill is wrong in principle, and may well lead to a denial of free speech. That cannot be good for any of us.

Mr. David Wilshire (Spelthorne): Let me reassure the hon. Member for Lancaster and Wyre (Mr. Dawson) that I am not implacably opposed to the Bill, or to clause 44. I mention the hon. Gentleman because something that he said underlines my reason for wishing to speak. If I remember correctly, he said that the media did not understand children. My guess is that huge numbers of editors, sub-editors, photographers, reporters et al are

parents, and sweeping generalisations are at the heart of my concerns and, I think, those of others. It is very easy to have a knee-jerk reaction.

It is a pleasure to ask this Minister questions, and I know that he will respond to them fully. I have a great deal of sympathy with what the Bill seeks to achieve, and, in principle, I do not oppose the powers that are being sought in clause 44. Of course abuses are taking place, and harm is being done to some young people; but—and it is on the "but" that I think we should focus—censoring the media, for whatever reason, should not be undertaken lightly. However sensible the motive may be, it is still censorship of the media.

Let me make a confession. I am one of those people who, every so often, have an overwhelming desire to censor the media. It usually takes me late at night, when I have stopped thinking too clearly. When, on the following morning, I muse on my thoughts of the night before, a little mature reflection reminds me of the inherent dangers of what I advocated the night before. Even when my motives of the night before were good, I realise the following day that reflection pays. I feel that a little mature reflection this afternoon, and a little mature reflection before these powers are used, is needed now.

I did not serve on the Standing Committee, and I have not heard all that has been said about the Bill; but I understand that, according to the procedures of the House, if a Bill comes to us on Report it means that someone—presumably the Speaker—has decided that an issue has not been debated or has not been debated fully, or that there are other reasons for bringing the Bill back to the House. I submit that there is a good reason for us to debate the Bill this afternoon, and I urge the Minister to explain again why he wants the powers that clause 44 would enable him to exercise. Surely there can be some occasions when publication is in the public interest, and even in the interests of the victims themselves. The Government are seeking significant powers of censorship, so I believe that we are right to debate them this afternoon and to require full explanation and justification of the proposals.

5.45 pm

More significant is the need for a spot of mature reflection before the powers, if they are approved by the House, are used, and that is the purpose of the new clause. It would defend the Government of the day, whatever their political persuasion, from the late-night, snap decision forced through the House when perhaps people like me are not thinking as clearly as we might and a bit of time for consideration would not come amiss.

When I look back on some of my instantaneous judgments, I often realise that my motives, the research that was carried out, the analysis I made of the issues and amount of time I spent consulting other people and listening to them were somewhat lacking. I have a sense that the same would be true of any Government that instantly decided to introduce a ban. Just as I try to test my motives the next day, the Government must provide the opportunity for the public at large, the affected media and the House to test their motives, test their logic, listen to their justifications and ensure that they have consulted and arrived at sensible conclusions.

That is why I support new clause 3: all it does is protect the Home Secretary of the day from getting it wrong by indulging in knee-jerk reactions. It simply requires the Home Secretary, before he uses the powers in clause 44, to give notice that he is going to do so—instead of just instantly doing it, he announces that that is what he intends to do. He is then given the opportunity to consult before using the powers. Consulting and listening never did anyone any harm, and the more serious the powers in question, the greater the need for consultation.

The new clause would also make a provision, currently lacking in the Bill, requiring the Home Secretary to explain exactly what he is doing, and why, to the House of Commons. If any institution in this country is the guardian of the rights of individuals, it is this House, so when the rights of individuals are taken away—censorship does take away rights—there has to be an adequate explanation of which the House approves. I would be perfectly prepared to vote with the Minister if his explanation were adequate, so I do not think that he need be frightened of new clause 3. New clause 3 does not strike at the purpose of the Bill, nor would it remove any powers from the Home Secretary. All it does is improve the decision-making process by allowing time for mature reflection.

Thinking about what reply I might receive, I concluded that I shall be told that I am overly worried, that the Government have no intention of doing what I do late at night, and that, since they are such a sensible Government, they do not need protection from themselves. The reply will be put more politely than I have put it—

Mr. Boateng: It depends on how long he goes on.

Mr. Wilshire: If the hon. Gentleman is not in a good mood, I might go on even longer, and he will have even more to explain. If he is tempted to tell the House that he has absolutely no intention of acting instantaneously, he will take away the only reason that he has for opposing the new clause.

Mr. Viggers: I remind my hon. Friend that the Government have so far not lost a Division, and all that is required is that the Home Secretary snap his fingers, and the terracotta warriors will wander through the Lobbies and the Bill will be passed.

Mr. Wilshire: I am incredibly tempted by that course of action, but I have been trying to be helpful and friendly and not too aggressive to Labour Members, so I shall resist that temptation, although I agree with my hon. Friend.

All I am saying to Ministers is that if they have no intention of acting instantaneously, the new clause will in no way mess up their Bill. If they intend to take a decent amount of time to make proposals, consult, listen and seek our approval, no harm whatsoever will come from accepting the new clause. Knowing the Minister of State to be a kind, reasonable man who wants to be generous on a Thursday afternoon, I am sure that he will support the new clause.

Mr. Tim Collins (Westmorland and Lonsdale): I shall be brief because I know that the Minister is anxious to respond to the many excellent points made by Conservative Members during the debate.

I entirely accept the points made by those who have said that they do not question the Government's motivations. I am sure that the Government did not get

[Mr. Tim Collins]

up in the morning thinking, "How can we penalise the media?" They are genuinely motivated by a wish to protect children, as are Conservative Members, but we happen to think that the Government are not going about that in a terribly effective way.

Some in the media do, perhaps, question the motivations of a Home Office that, it will be remembered, not too long ago sought an injunction to prevent the publication of a report that turned out to have been leaked by the Home Office. None the less, I shall pass over that point.

I shall concentrate my remarks on comments made to me by Mr. Mike Glover, the editor of the *Westmorland Gazette* in my constituency. It is a fine newspaper, which is very well dug in with its local community but which none the less has serious concerns about these issues. Mr. Glover's first point is that the problem with any such legislation, whether or not it comes into effect after the Government have made welcome concessions, is that if we prevent the press from publishing accurate information, we do not stop inaccurate information circulating elsewhere. There will still be gossip and people will retail versions of stories in pubs, on street corners and over their neighbour's fence. If we do not publish the accurate information, we may end up damaging children and causing them more difficulty than if we had allowed the press to report the facts straightforwardly and immediately.

Mr. Glover's second point is that the *Westmorland Gazette* is a fine newspaper and very successful in its area, but it does not have the largest circulation and it is not the best-known publication in the United Kingdom.

Mr. Boateng: The hon. Gentleman is doing his best to change that.

Mr. Collins: I am, as the Minister says, doing my best. It follows that that newspaper, like many other regional and local weekly newspapers, does not have at its disposal a large and well-financed legal department that is able to offer the editor a great deal of well-researched legal advice on these very difficult decisions. The restrictions could therefore be particularly onerous for local and regional newspapers—national newspapers probably have large legal departments and do not run the risk of editors being caught out.

I might add that since the debate has so far concentrated on the print media, it is worth noting that we are dealing with measures that will also relate to the broadcast media. A station such as Border Television—the smallest ITV station—in my constituency does not have a large legal department. The pressures on editors that we have described are even more acute for television stations because the time between a story breaking and the time when the broadcast media would expect to put it out could, as my hon. Friend the Member for Ryedale (Mr. Greenway) said, be a matter of mere minutes. How can stations make accurate decisions on such matters so swiftly?

Mr. Glover's third and final point, which is important, is that the Home Office proposals, which would be aided by new clause 3, would break into the important co-operative relationship between local police forces and local newspapers. A senior police officer, from outside the immediate area covered by a local journalist or a local newspaper, might go to court to seek an injunction to provide a ban, thus souring relationships that had been built up over many years between a local beat journalist and local beat police officers.

If co-operation between the local media and the local police is broken down, the police may run the risk of losing one of their very important assets in the fight against crime. The Government should use the opportunity granted them under new clause 3 for further reflection to think about that, because some local police officers in my constituency do not think that it is necessarily a terribly good idea to put them in an adversarial relationship with their local media.

I now come to my final point, which I do not believe has been made in the debate. In the age of the internet and the ever greater dissemination of information, successive Governments have found that many of their attempts to impose restrictions on the free flow of information are probably doomed to failure. That problem, encountered by the previous Government, is increasing.

When I said that if accurate information was suppressed, inaccurate information would be circulated by other means, I also said that at the moment such information was probably spread by people talking to each another over the garden fence. In future years, increasingly, even local stories will be posted on the internet. One will never, realistically, be able to stop that.

Between 10 and 20 years ago, the "Spycatcher" case showed that it was impossible to stop information being published outside the geographical jurisdiction of a court or a nation. If the Bill passes unamended by new clause 3, there is a risk that such information could be posted on the internet. Even if it is posted simply between Kendal and Ambleside in my constituency, it could go via a server in the United States, be bounced around Australia and then return to the United Kingdom. Legislation of the type that the Bill represents must take account of these things.

My concern is that if one prevents the publication of accurate stories by the practitioners of professional, researched journalism, a bulge of inaccurate information will erupt elsewhere, which may in time come to be more damaging to children and young people than the accurate stories would have been. I hope that the Government will take the opportunity granted them in new clause 3 to think further about these matters.

Mr. Boateng: This has been a good debate, in which we have given this subject the considered and careful reflection that it deserves. To that extent, it mirrors our debates on this and other subjects in Committee.

The new clause provides for the Secretary of State to give notice of his intentions to make an order to activate the provisions of clause 44 in relation to child victims and witnesses; to publish his reasons for reaching his decision so to do; and to consult the media in whichever way he chooses. It then requires the Secretary of State to wait a further six months before making the order even if, in the interim, Parliament has debated the issue in both Houses and has agreed to the order being made.

That is rather unusual. It is an odd and, in our view, unnecessary way of proceeding. I well understand the spirit in which the hon. Member for Ryedale

(Mr. Greenway) moved the new clause, but we need to get real. It has been suggested by the hon. Members for Spelthorne (Mr. Wilshire) and for Gosport (Mr. Viggers) in their careful and considered interventions—later I shall discuss in more detail the arguments made by the hon. Member for Gosport—that the Secretary of State for the Home Department might wake up one morning and, on a whim, bring these provisions into force. That, from two parliamentarians who, with the greatest respect, have been around a bit, demonstrates an ignorance—I believe, a wilful ignorance to enable them to make what they regarded as a good debating point—of the way in which the House works.

Mr. Wilshire: Will the Minister give way?

Mr. Boateng: Not at the moment.

The hon. Member for Ryedale knows that one cannot arrange a debate on a draft order in both Houses instantly. The order must be drafted, and then parliamentary time in each House must be arranged—all hon. Members, on both sides of the House, know the difficulties involved in that. Each House must positively resolve in favour of the draft order. Then, and only then, can the order be made. In the event of the procedure being brought into effect by affirmative order, there would be ample opportunity for discussion, for soundings to be taken and for representations to be made.

6 pm

We value enormously the representations that were made by the media in the course of discussion around the clauses. Representations were made through letters from individual Members responding to quite proper communication with their local editors, through national representative bodies, and by individual editors and the Guild of Editors. I can assure the hon. Member for Colchester (Mr. Russell), who brings to our debate a wealth of experience from the front line, that we have taken on board the concerns and the representations made by the provincial media, which play an enormously important part that I do not underestimate in the local dispensation of justice. They have an interest, which needs to be protected, and their views have been taken into account.

I must not give in to the temptation offered by the hon. Member for Ryedale and others to accept the new clause if, by so doing, I would be fettering the discretion of future Ministers by binding them to any particular course of action. That is why I cannot respond as the hon. Members for Ryedale and for Colchester would have me do, by indicating what they described as our long-term intentions.

As we made clear upstairs—I am glad to affirm it on the Floor of the House today—our intentions are to proceed by recognising the potential of self-regulation to address the issue, as has been demonstrated during the discussion of the clauses. The issue is a serious one—the welfare of children.

I listened with close attention to the contributions of the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) and my hon. Friend the Member for Lancaster and Wyre (Mr. Dawson). As a professional solicitor and a social worker working with children, they bring their experience to bear. I hear them both. I do not believe that there is any great gulf between them. It is a question of tactics, rather than objective. The objective that we all have in common is to protect children.

After much deliberation and consultation, to which the National Society for the Prevention of Cruelty to Children and other child protection organisations made an important contribution, that objective led us to go down the road set out in clause 44. We went down that road because of a number of cases that raised concerns about the impact of publicity on children, whether as victims or witnesses—for example, the difficulty for a child of facing his classmates when he has been publicly identified in the local or national press as the son of a wife-beater or baby-killer; or, if he walks to school, the difficulty of having to pass hoardings that identify him publicly with such a tragedy; or the difficulty of being identified as belonging to a family of thieves or drug dealers, even if the investigation did not lead to any charges. That would certainly merit the editor of a local newspaper taking care to consider the consequences of a careless press report. The hon. Members for Colchester and for Bromsgrove (Miss Kirkbride) will recognise that that is already the case in terms of the code of practice laid down by the PCC. We are not giving the Executive powers to ban the publication of particular material; we are making sure that the best standards of self-regulation are applied.

As several hon. Members, including the hon. Member for Colchester, have said, the best standards are already being applied by the press and we are ensuring that they will be upheld and become more firmly entrenched in the general approach of the media—the broadcast media, national tabloid and broadsheet newspapers and local media—at all levels. We have to get the balance right, and I do not intend to make a distinction between the tabloids and local newspapers, which is the path down which he tempts me.

It is important to make sure that standards are maintained and developed by all, and I cannot and will not fetter the discretion of future Ministers in that regard. We are debating a requirement under clause 64(3)(a) for the Secretary of State to lay a draft of the order before both Houses. The order cannot be made unless the draft is approved by a resolution of each House. Obviously, the Home Secretary of the day will take into account all the circumstances, not just a cause celebre, before determining so to do. I hope that that satisfies hon. Members. It is important to recognise that those recommendations, which were published in June 1998, came from "Speaking Up for Justice". They have been the subject of considerable consultation.

I want to deal briefly with a number of points that were raised. The hon. Members for Gosport and for Bromsgrove asked why 18 was chosen. I understand their question. Our law—be it the Children Act 1989, the Bill or a range of measures concerning the age of consent, one of which was mentioned by the hon. Member for Bromsgrove—varies enormously for reasons of history, of vulnerability and of consistency within a particular area. It also refers to various ages, for example 16, 17 and 18. We chose 18 because it reflects the current limit in the youth court and the current limit in respect of court reporting restrictions. It would not have made sense to have chosen a lower age.

[Mr. Boateng]

There is a debate to be had about the wider issues and, when hon. Members consider this matter, they need always to have in mind our determination to ensure—

It being four hours after the commencement of proceedings on consideration of the Bill, MR. DEPUTY SPEAKER, *pursuant to Order [this day], put the Question already proposed from the Chair.*

Question put, That the clause be read a Second time:—

The House divided: Ayes 122, Noes 288.

Division No. 231] **[6.9 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Beggs, Roy
Beith, Rt Hon A J
Bercow, John
Beresford, Sir Paul
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brazier, Julian
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Cable, Dr Vincent
Cash, William
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cotter, Brian
Cran, James
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Dorrell, Rt Hon Stephen
Duncan, Alan
Evans, Nigel
Faber, David
Fearn, Ronnie
Flight, Howard
Forth, Rt Hon Eric
Fox, Dr Liam
Garnier, Edward
Gibb, Nick
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hancock, Mike
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
Moss, Malcolm
Norman, Archie
Ottaway, Richard
Page, Richard
Paterson, Owen
Pickles, Eric
Prior, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Simpson, Keith *(Mid-Norfolk)*
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, Sir Teddy
Thompson, William
Townend, John
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Wardle, Charles
Waterson, Nigel
Wells, Bowen
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Wilshire, David
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. Geoffrey Clifton-Brown and
Mrs. Jacqui Lait.

NOES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Ashton, Joe
Atherton, Ms Candy
Austin, John
Barnes, Harry
Barron, Kevin
Battle, John
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Benton, Joe
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Rt Hon Stephen
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cranston, Ross
Cryer, John *(Hornchurch)*
Cummings, John
Cunliffe, Lawrence
Curtis-Thomas, Mrs Claire
Darvill, Keith
Davey, Valerie *(Bristol W)*
Dawson, Hilton
Dean, Mrs Janet
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Fyfe, Maria
Galloway, George
Gapes, Mike
Gardiner, Barry
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Goggins, Paul
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hood, Jimmy
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Humble, Mrs Joan
Hurst, Alan
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*

Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Lepper, David
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Livingstone, Ken
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McFall, John
McIsaac, Shona
McKenna, Mrs Rosemary
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michie, Bill *(Sheff'ld Heeley)*
Mitchell, Austin
Moffatt, Laura
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morris, Ms Estelle *(B'ham Yardley)*
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pickthall, Colin
Pike, Peter L
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Rammell, Bill
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Jeff
Rowlands, Ted
Roy, Frank
Ruddock, Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Short, Rt Hon Clare
Singh, Marsha
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Starkey, Dr Phyllis
Steinberg, Gerry
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

Tellers for the Noes:
Mr. Kevin Hughes and Mr. Graham Allen.

Question accordingly negatived.

New Clause 2

RESTRICTION ON REPORTS ABOUT PERSONS ACCUSED OR SUSPECTED OF COMMITTING A SEXUAL OFFENCE

'.—(1) Subject to subsections (2) and (3), no matter relating to any person accused or suspected of committing a sexual offence shall be included in any publication if it is likely to lead to members of the public identifying him as a person involved in the offence unless and until he is convicted.

(2) A court may direct that a person to whom subsection (1) applies may be identified if identification is necessary to secure the arrest of that person or is otherwise in the interests of justice.

(3) A court making a direction pursuant to subsection (2) may give such ancillary directions as it thinks fit, having regard to the interests of justice and the interests of the accused or suspected person'.—*[Mr. Greenway.]*

Brought up, and read the First time.

Mr. Greenway: I beg to move, That the clause be read a Second time.

Previously, whenever the House debated a criminal justice Bill—certainly once in each Parliament—we debated the death penalty. Those days have gone, but I have an inkling that, in future, whenever we debate criminal justice matters, particularly Bills that refer to sex offences, we are likely to discuss the offence of rape, the structure of that offence and the way in which rape trials are conducted.

Part of the reason for that is the fact that the Bill introduces changes that, as the Minister knows, are controversial. We had several constructive debates about them in Committee. In addition, the Home Office is undertaking a detailed research study into the offence of rape, entitled "Question of evidence?: investigating and prosecuting rape in the 1990s".

Earlier this week, some hon. Members who are in the Chamber attended a seminar that the Minister kindly arranged to discuss some of the review's objectives. I make a suggestion to the Minister: will he consider extending that review so that it considers the anonymity of defendants in sex offence cases, particularly those accused of rape? I make the suggestion for several reasons. The first is that the Bill proposes important changes that are clearly designed to protect victims. Clause 34, in particular, provides for an absolute ban on defendants in rape cases cross-examining rape victims. We appreciate why the Government propose making that provision.

We also know from our debates in Committee, and from representations that all hon. Members have received, that the legal profession is divided on the provision. Some lawyers have said that the Government should go further, whereas others—including the Law Society, in stating the official view—have said that it is entirely the wrong thing to do. I dare say that in this debate we shall discover that divisions on the issue are not between, but within, political parties. Victims' interests are unquestionably being provided for in the Bill. I am happy about that,

[Mr. Greenway]

as the case for such provision has been well made. However, what are the consequences of that provision for the interests of defendants?

Secondly, although the Home Office review will consider all of the issues relating to sex offences, it makes some basic assumptions. I want to deal with one specific assumption, which is that any application of the criminal law must be fair, necessary and proportionate. On the basis of that principle, I want to question whether there is a case for the House again to consider whether, in the interests of fairness and justice, there should be a restoration of defendants' anonymity—particularly in rape cases, but also in cases involving other sexual offences.

The history of the matter is that the Criminal Justice Act 1988 amended the law on anonymity for complainants in rape cases so that anonymity commences when an allegation of rape is made to police and not—as provided in the Sexual Offences (Amendment) Act 1976—when a defendant is formally accused. The 1988 Act also removed the anonymity of defendants in rape cases.

Subsequently, in 1994 there was a review of the anonymity provision. My right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard), in answer to a written question, confirmed that he was satisfied

"that the present law, which affords anonymity for complainants in sexual offence cases, but offers no special protection for defendants, strikes a proper balance between the principle of open justice on the one hand and the need to ensure that victims of sexual offences are encouraged to come forward on the other."—[*Official Report*, 18 February 1994; Vol. 237, c. *1029*.]

The history of the matter is important to our consideration of the provision for two reasons. First, one of the justifications for the changes in the Bill to the conduct of rape trials is that they will encourage more rape victims to come forward—rather than being discouraged from doing so because of the publicity given to one or two notorious cases in which victims were cross-examined, ruthlessly and without any protection from the court, by the alleged assailant.

However, since my right hon. and learned Friend answered that written question, several incidents have caused concern and they prompted me to table the new clause to give the House an opportunity to consider whether we should restore the anonymity of defendants in the interests of fairness and natural justice and to restore the balance that the Bill is disturbing.

6.30 pm

In April 1995, Mark Jackson, a 21-year-old chef, hanged himself. He had been accused of rape by a former girl friend. The Crown court jury at Exeter acquitted him, but the story had reached his home town of Wigan 250 miles away, where the local newspaper headline screamed:

"Jilted man, 21, raped ex-girlfriend".

Mark was named and identified for all to see. He could not bear the shame and on the morning of Sunday 9 April his mother found him hanging from the staircase.

Before Christmas 1996, a young man of 25, Dennis Proudfoot, gassed himself in his car. He had been charged with rape and was terrified of the effect of the publicity on him and his family. A few days after his death his parents received a letter from the girl admitting that he had not raped her.

Those are just two of a catalogue of tragic cases that have occurred in the past few years—since my right hon. and learned Friend last reviewed the issue as Home Secretary—in which accusations that were malicious or that, even if they had substance, ended in acquittal resulted in a defendant's life being ruined. We have been right to explore giving greater protection to victims, but we should also take this opportunity to give consideration to the innocent defendants of rape allegations whose lives and whose families' lives have been ruined by the glare of publicity. One could take up more time with other cases, but I am conscious of the fact that other hon. Members want to speak and we are time limited.

This is not just about men accused of rape seeking some justice through anonymity unless or until they are convicted. Sadly, there are also cases involving women. I understand that on 7 February 1997 the General Medical Council found a female doctor not guilty of indecently assaulting a woman patient. She was subjected to the glare of publicity and her career and personal life have never recovered. I accept that the procedures of the GMC are different from those of the courts, but the principles are the same. Therefore, I felt it right to bring the issue before the House again.

I have one further important point for the Minister. Clearly, this is an exploratory debate, and we do not intend to press the matter to a vote. However, I want the Minister to consider extending the review of how rape and sex offences are investigated and prosecuted, and I would like the anonymity issue to be brought within the purview of the review.

I wish to refer to the incident that prompted me to propose this as a matter for discussion. We have just discussed the reporting of criminal incidents involving young persons under 18 and I have referred to the case of Adam Dent, a 15-year-old who was accused of rape and identified in the press, but not subsequently charged. That case is one of the reasons why the Opposition have agreed to accept the Government's proposal for further curbs on press reporting of criminal incidents to protect the identity of the defendant.

If it is right to give protection and anonymity to a teenager falsely or maliciously accused of rape—as is proposed in clause 44—what is the case for restricting that prohibition only to young men under 18? An accused person aged 17 would be protected, but someone aged 18 would not. Is that a fair, just, balanced or logical conclusion? I am not sure that it is, as is made clear by the two or three cases that I cited which involved young men—maybe a little older than Adam Dent—in similar circumstances.

I wish to drawn the House's attention to the potential scale of the difficulty. In the preamble to the Home Office research study paper, there is an analysis of the attrition process in rape complaints. Although there has been a marked reduction in the number of rape complaints where the cases were subsequently not recorded as crimes, some 25 per cent. of rape allegations are still not recorded as crimes. The most common reason for that is that the complaint was believed to be false or malicious. In over one third of such cases, the complainant withdrew the allegation.

It is perfectly feasible that, in each of those cases, the identity of the persons accused would have been revealed to the press. There could have been some lurid press coverage, with all the consequences of that for that person and his family. We cannot conclude that this is just a tiny problem. It is a significant difficulty and one to which the House—and the Minister—should give serious consideration.

Mr. Beith: We support the aim of the new clause. On Second Reading I asked the Government to consider the issue of anonymity for those accused of sexual offences. Complainants rightly have anonymity. As the hon. Member for Ryedale (Mr. Greenway) said, it encourages the continuance of a case in an area where there is considerable fall-off, for the understandable reason that it is an extremely harrowing business to add to the awful experience of rape all the trials and tribulations that attend on pursuing a court case.

The case for anonymity of the accused is strong. There are two main reasons for granting it. First, the anonymity of the victim can be undermined when the defendant is known. It is also extremely common in rape cases for it to be possible to deduce who the victim is from other extraneous circumstances, such as the location. Lack of anonymity for the defendant undermines our ability to protect the complainant.

Secondly, the social stigma of a rape accusation is very great and may long survive an acquittal. Reputations can be ruined and marriages destroyed simply by allegations. In cases where the allegation is false and malicious, the accuser has the protection of anonymity, so it is reasonable that in those circumstances, which are different from those in other cases, the defendant should have the same right. Of course, the anonymity would disappear on conviction.

The hon. Member for Ryedale spoke of people who were so traumatised by the allegation that they took their own life, even though it subsequently emerged that no rape had occurred. It is clear that people in such cases are under extreme pressure.

When the Crime and Disorder Bill was in the Lords, my noble Friend Lord Goodhart tabled an amendment to restore the anonymity of defendants in rape cases, which was part of our law for a considerable time. The then Solicitor–General, Lord Falconer, accepted that there was high social stigma and that other problems existed but did not in the end accept the argument. He relied on the fact that openness is a fundamental principle in our justice system and said that as defendants are generally named, there was no reason why those in rape cases should receive special protection. We do not believe that his arguments counter the strong arguments that I have set out.

I hope that the Government will re-examine the issue carefully. There are good reasons for surrounding rape cases with special provisions, because if we did not it would be impossible for many guilty people to be brought to justice, but we are left with a problem about those who are falsely or maliciously accused. Given all the other protections that exist, it would be appropriate to restore the anonymity that our law once provided for defendants in such cases.

Mr. Boateng: The law as it stands offers anonymity for complainants in sexual offences, but it offers no specific protection for adult defendants. Anonymity for defendants in rape cases was originally introduced in 1976—by a Labour Government, as it happens—and was repealed in 1988—by a Conservative Government, as it happens—following a recommendation by the Criminal Law Revision Committee.

However, this is not a matter for party politics. It is a very difficult and complex issue that goes to the heart of the wider public interest in court proceedings. In an earlier debate, reference was made to the literal meaning of the term "public interest", and to the public interest in having freedom of information about what goes on in court.

6.45 pm

The Criminal Law Revision Committee took the view that people accused of rape should not be singled out for special protection while other defendants could be identified. The Government in 1988 agreed. They were not convinced that rape defendants should be treated differently from defendants against whom a different but equally serious offence is alleged. The Criminal Justice Act 1988 therefore repealed the relevant measure.

I listened with interest to the arguments advanced by the right hon. Member for Berwick-upon-Tweed (Mr. Beith) and the hon. Member for Ryedale (Greenway). They said that rape carries a special stigma, but people charged with an offence of dishonesty at work or in connection with their business, for example, and who are subsequently acquitted would say that that charge carried both a stigma and a consequence that could threaten their livelihood.

Balancing stigma and post-acquittal consequences involves arguments that are by no means clear-cut. Should people charged with an offence of dishonesty in connection with their business also have protection? The consequences could be just as severe, and the stigma just as great. If they are not to have such protection, why not? Those who propose a return to the law as it was before 1988 must have a convincing response to that dilemma. I am not entirely certain that that has been demonstrated by those who have argued this evening that the 1988 repeal should at least be explored.

Mr. Beith: I remind the Minister that rape differs from other offences in that, in rape cases, anonymity is given to the complainant, which increases the possibility of a false and malicious allegation. The innocent defendant in such a case will ask how it can be right that the person making the allegation can have anonymity, whereas the defendant cannot. In that sense, rape is different from other offences.

Also, I meant to point out that the new clause would allow the court to break anonymity where the interests of justice required it.

Mr. Boateng: I shall come in due course to the powers that the court, by virtue of its inherent jurisdiction, already has in this matter. The right hon. Gentleman maintains that one anonymity should be balanced with another, but the contrary argument has been aired in debates throughout the afternoon, and it is that the public have a right, and an interest, in knowing what goes on in court. That argument must be addressed in determining where the balance of public interest lies.

[Mr. Boateng]

We are satisfied that the present law strikes a proper balance between the principle of open justice, in which the public has the wider interest, and the very important need to ensure that victims of sexual offences are encouraged to report such crimes. We are not convinced that there is a special case for infringing the principle of open justice regarding defendants in sexual offences cases.

I have nothing but sympathy for the relatives of those in the cases offered by the hon. Member for Ryedale who were driven to suicide by their sense of shame and stigma at the allegations to which they were subject. There is genuine concern that defendants will be deeply distressed by being publicly named in connection with a sexual offence. Even if subsequently found not guilty, people may suffer great distress because of publicity given to their case.

Sexual offences cases are particularly heinous, and proceedings inevitably attract much public interest. However, the same can be said of other serious crimes, such as murder, in which defendants may be acquitted. Allegations of indecent assault or gross indecency can carry enormous stigma. Do those who make the case for change suggest that defendants accused of those offences ought to be protected by the cloak of anonymity?

Though the suggestion is well intentioned, to offer anonymity to defendants in sex cases would encourage others facing serious charges to argue—with some legitimacy—that they face embarrassment and distress and should be protected from press and public attention. We must ensure equality of treatment among defendants.

New clause 2 refers to a person neither accused nor suspected of having committed an offence. After acquittal, a person is neither accused nor suspected, and the new clause would not achieve what the hon. Member for Ryedale wants. We are not satisfied that the reform is justified. The hon. Gentleman suggested that the sex offences review might deal with the point, but it falls outside the review's terms of reference, which are to consider the law, not procedural or evidential issues.

The Contempt of Court Act 1981 goes some way to addressing the concerns expressed by the right hon. Member for Berwick-upon-Tweed. If there is a need to avoid publicity, the court has the power to act to avoid a substantial risk of prejudice to proceedings. The court may order postponement of publication of any report of proceedings for whatever period it considers necessary. In addition, where a court decides to withhold a name from the public during a trial, it has the power to prohibit publication entirely.

The courts, mindful of the need to preserve the principle of open justice, have held that that power should not be used merely for the comfort or feelings of the defendant or to enable defendants to avoid unwanted publicity. The powers should be used only in limited circumstances, such as protecting the identities of the young, or in cases in which witnesses might later be exposed to violence or blackmail, or where national security might be prejudiced. The Government agree with that approach.

We have been asked why we should protect only victims. Anonymity for complainants in sex offence cases is designed not only to protect them from hurtful publicity for their sake alone, but to encourage other victims of sexual assault to report the offence and to co-operate with the prosecution. Those arguments do not apply to the accused. Throughout our deliberations in Committee, it was pointed out—not least by my hon. Friends the Members for Luton, South (Ms Moran), for Don Valley (Caroline Flint), for South Swindon (Ms Drown) and for Stretford and Urmston (Ms Hughes)—that the current rate of attrition is such that nothing must be done to weaken in any way the capacity and confidence of a complainant to come forward and make her allegation; it is normally "her", but it could equally be "him" in relevant cases. The point was also made by other hon. Friends outside the Committee and in the considerable and weighty representations that I received. The point has been made time and again. The House must confront what the attrition rate in rape cases tells us; the proportion of rape cases recorded by the police and resulting in a conviction fell from 24 per cent. in 1985 to 9 per cent. in 1997. That is a matter of the gravest concern.

Mr. Oliver Heald (North-East Hertfordshire): Is not the lack of balance in the anonymity provisions part of the problem? Since anonymity for the defendant was scrapped, the suggestion has been lurking in the courtroom, in almost every rape case, that a false allegation may have been made under the cloak of anonymity. A man's life may be ruined because of that anonymity. If both parties have anonymity, that suggestion cannot lurk in the background at court. I suggest that that would make a difference.

Mr. Boateng: We hear what the hon. Gentleman says, but I want to make it crystal clear why it is so important that the special position of the complainant should be recognised in law. I understand the point that the hon. Gentleman makes. However, if the complainant is in the same position as the defendant, that does not hold up the complainant's special position as deserving the special measure that the complainant should not be subjected to publicity.

Mr. Heald: Will the hon. Gentleman give way?

Mr. Boateng: I am not able to give way; the House wants to proceed. The hon. Gentleman can make his own speech.

I have listened carefully to the arguments, but, for the reason that I have just given, we are not able to accept the new clause. I hope that the hon. Member for Ryedale will not press it to a vote.

Mr. Greenway: The Minister's response was predictable. In fairness to him, I do not mean that as a criticism. As the right hon. Member for Berwick-upon-Tweed (Mr. Beith) pointed out, whenever the matter has been raised in recent years, Ministers—in Labour or Conservative Governments—have given the same response. However, there is more to the matter than the Minister accepts.

The Minister asks whether the stigma and consequence of an unfounded rape allegation is different from that of any other crime. For two reasons, there is a significant difference. The first reason is that, in a case of rape or serious sexual offence, the victim has complete anonymity. In the case of virtually all other serious crimes, such anonymity does not exist.

If, for example, someone alleges that another person has stolen or embezzled money or property, and if the person concerned is acquitted, a stigma will be attached to the person who made the allegation, because—presumably—that person will have been found not to have told the complete truth. That in itself deters people from making false allegations of criminal offences: those who would make such allegations know that, if the case ends in an acquittal, it is they who will be made to look foolish and dishonest.

7 pm

Mr. Heald: It is noticeable that, since the scrapping of the anonymity of the defendant, the number of rape cases that have been successfully pursued and have resulted in conviction has fallen dramatically. Might not one reason for that be that the point is not lost on the jury that the person making the complaint is doing so anonymously, and is risking nothing? I am all in favour of that—I think that there should be an anonymity for the victim—but there is an unfairness, in that the defendant, who is not guilty at the time of the trial, has had his reputation ruined for life and, at the end of the day, it may turn out that the allegation is false. That unfairness is in the background of juries' thinking, and it is causing many of the problems.

Mr. Greenway: My hon. Friend makes a good point. We all accept that anonymity for the victim is an important prerequisite: it encourages women to report rapes or other sexual or violent offences, and I have no doubt that that is the correct approach. However, anonymity has a number of unfortunate consequences. For instance, as my hon. Friend says, someone who intends to make a malicious complaint has nothing to lose. The right hon. Member for Berwick-upon-Tweed made that point too.

Caroline Flint (Don Valley): Does the hon. Gentleman accept that, although the woman's name may not be printed in the press, she has to stand up in open court, facing the person whom she has accused, in front of the jury, the judge and court officials, and make her case?

Mr. Greenway: All that is true, and is taken as read; but it does not explain another fact to which I was about to refer. The research paper that I mentioned earlier gives reasons other than those given by the Minister for the fact that the attrition rate is so high, and the fact that so few rape allegations result in convictions. One reason is that allegations are subsequently withdrawn—a factor that is not a feature of other criminal offences.

The Minister asked us, quite openly, to give a reason for the fact that rape and other sexual offences should be different. I think that we have made our case. The stigma, and the consequences, are different in the case of rape—not just because of the anonymity involved, but because it appears for some reason that an acquittal, or the withdrawal of an allegation, does not result in anything like the prominence in the press that was given to the original allegation. There is always the lingering suspicion that the acquittal was not justified, or that there was some truth in the allegation but not enough evidence to sustain the prosecution.

Mr. Heald: No smoke without fire.

Mr. Greenway: My hon. Friend states the reality that the House must face.

Mr. Heald: I am sorry to exploit my hon. Friend's good will, but I have become interested in the debate. Does he agree that the unbalanced position on anonymity has two bad effects? First, it is bad for the defendant if he is acquitted and people say that there is no smoke without fire. Secondly, it undermines the case of women who have been wronged and treated appallingly, because in court, they are undermined by the ever-present suggestion that they are making their accusation with the benefit of anonymity, while the man's reputation is on the line. That undermines cases that should be pressed home successfully to a conviction.

Mr. Greenway: My hon. Friend tempts me with a road down which I do not wish to go, because I do not want to dispel the spirit that existed within the Committee and encompassed some of the Government Members. However, he makes his own point extremely well.

We shall not have an opportunity to discuss this important issue again for a while, but time is pressing and in an effort to be brief, I missed out a page of my notes. One of the important points on that page is the one made by the right hon. Member for Berwick-upon-Tweed—that in rape cases, the lack of anonymity for the accused, or the defendant, or the alleged perpetrator leads increasingly to the anonymity of the victim being breached and her identity being disclosed.

The fundamental reason for that development is clear in the research: it is that the number of stranger rape cases as a proportion of all rape allegations is falling, but that the number of so-called acquaintance, intimate or date rape cases has increased substantially. Therefore, there is a far greater prospect that, by publishing the identity of the alleged perpetrator, the identity of the victim will be disclosed. It seems logical to conclude that, if the priority is to give protection and anonymity to a victim, any matter that undermines that anonymity should be a matter of concern for the House, and that some adjustment to the law is justified.

When he referred to the Home Office review of sex offences, the Minister said that the anonymity issue was outwith the scope of that review. That surprises me, because the document given to us at the seminar that the Minister kindly and helpfully arranged sets out the terms of reference for the review. They are:

"To review the sex offences in the common and statute law of England and Wales, and make recommendations that will: provide coherent and clear sex offences which protect individuals, especially children and the more vulnerable, from abuse and exploitation".

I accept that the anonymity issue is not covered by that, or by the second requirement—that the recommendations should

"enable abusers to be appropriately punished".

However, I suggest that the anonymity issue is covered by the third strand, which is that the recommendations should

"be fair and non-discriminatory in accordance with the ECHR and the Human Rights Act."

Even setting aside those cases in which a trial results in acquittal, and concentrating only on those cases in which the allegation is subsequently withdrawn and the

[Mr. Greenway]

woman admits that she was not telling the truth, I put it to the Minister that it is not fair and not non-discriminatory to give anonymity to rape and sex offence victims, but not to people who are, in many cases, maliciously and falsely accused. There is a human rights dimension to the question of anonymity for those who are falsely accused of rape and sexual offences.

It will be clear that I do not seek to press this matter further. Early Thursday evening, when the House is about to adjourn for the week, may be an unfortunate time to have this debate. *[Interruption.]* The hon. Member for Don Valley (Caroline Flint) laughs, but although I do not think that we shall have a long Third Reading debate, there was a statement that lasted an hour, and the Government have known for days that it would be made today.

The House ought to return to this issue. The other place will do so. I am grateful to the right hon. Member for Berwick-upon-Tweed for his support, and I ask the Minister to think again about including the issue in the important review of rape that his Department is currently undertaking. I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

Clause 17

WITNESSES ELIGIBLE FOR ASSISTANCE ON GROUNDS OF FEAR OR DISTRESS ABOUT TESTIFYING

Mr. Boateng: I beg to move amendment No. 4, in page 13, line 24, leave out 'section' and insert 'subsection'.

Mr. Deputy Speaker (Mr. Michael Lord): With this, it will be convenient to discuss Government amendment No. 5.

Mr. Boateng: The amendments are the direct result of representations made to the Government by my hon. Friends the Members for Luton, South (Ms Moran), for Don Valley (Caroline Flint), for South Swindon (Ms Drown), for Rochdale (Lorna Fitzsimons) and for Stretford and Urmston (Ms Hughes), among others. They are designed to ensure that all sexual offence complainants will be eligible for help unless they say that they do not want to be eligible. Every sexual offence is likely to be distressing and frightening. It represents an assault of the most intimate kind and, if the complainant and defendant know one another, a betrayal of trust. In Committee, I agreed to consider whether complainants in sexual offence cases should have a greater degree of certainty that they will be deemed eligible for assistance. After consideration, I agree that the particular nature of sexual offence cases and the problem of attrition in those cases demand that we give sexual offence complainants greater certainty. They should have the certainty that they cannot be judged ineligible for help unless they do not want help. The debate in Committee was enormously significant. It was enhanced by the representations made by the hon. Members whom I have mentioned, not forgetting the representations made by my hon. Friend the Member for Basildon (Angela Smith), who brought the point home with particular force and has used her considerable influence to bring about this outcome. I hope that in the light of that, hon. Members on both sides of the House will give the amendments a fair wind.

Ms Julia Drown (South Swindon): The amendment gives the complainant the strongest possible presumption that special measures should be adopted unless the witness does not want them. As one of those who have argued for the strengthening of the clause, I welcome the amendment. The amendment allows the strongest possible assumption, but not an absolute automatic right to special measures because the judge could decide that none of the special measures would help the witness. The intention of the clause is that it would be incredibly unusual for someone not to be given at least a screen, but it still allows for no special measures to be applied. A justification for that is the European convention on human rights, which we have now incorporated into British law. Article 6 of that convention says that everyone is entitled to a fair trial.

7.15 pm

I am not aware of any authority or previous ruling that has laid down that screens—which we may take to be a minimum protection—breach article 6 by acting as an impediment to effective cross-examination. As my hon. Friend the Minister will be fully aware, the European convention on human rights allows for a margin of appreciation in the interpretation of its provisions by signatory states. Some leading lawyers believe that that margin would allow the Home Secretary to permit screens in court under article 6. Has counsel's opinion been obtained on that issue? If so, what was the advice?

Given that the minimum of a screen as a special measure would not restrict a fair trial of the defendant, I would want the Government to go further even than they have by tabling amendment No. 5. I should like them to say that a screen would be the minimum that they would expect for a witness in a rape trial.

Guidance would need to be given to judges, to say that the minimum of a screen does not prevent other measures—such as clearing the court—from being offered, but that the screen should be regarded as a minimum protection and that, if the witness requests further protections, the court must give the matter serious thought.

The huge advantage of setting the automatic right to at least a screen would be that we could then offer potential witnesses some certainty. They could be told from day 1, when they walk into the police station to report the crime, that if the case went to court, they would not have to face the accused if they did not want to. An automatic right for complainants to be afforded such protection would be better for defendants, too. If in all cases the judge has the ultimate say over whether special measures are appropriate, so that particular measures are allowed only in specific cases, it may be difficult to prevent juries from forming the belief that there is something especially sinister about the defendant in a case where a special measure has been allowed. If there is an automatic right to special measures, juries can be advised that the use of the special measures has nothing to do with any special features of the case or of the defendant.

Undoubtedly, the law needs to give better protection to witnesses. Some victims of rape say that they cannot face even the prospect that they might have to face their

attacker again in court, and that they would prefer to let the attacker go free than to risk going through that experience. Amendment No. 5 would obviously help those victims.

Does my hon. Friend the Minister believe that, if amendment No. 5 is passed and if sufficiently strong guidance is given to judges, he will be able to give men and women rape victims the assurance that they need to enable them to report crimes of rape and face going into the witness box?

I should like further clarification. In Committee, my hon. Friend the Minister confirmed that complainants would not usually attend pre-trial hearings, but that in rare situations, that could happen. I then asked how complainants would be protected at pre-trial hearings in the unlikely, but possible, event that both they and the defendant turned up in the same room. I was very pleased to hear in Committee that a judge would have the power to prevent a witness from having to be in the same room as the defendant in such situations. However, can my hon. Friend assure the House that he will give judges sufficiently strong guidance to ensure that they exercise that power when the witness wishes her or him to do so?

Will my hon. Friend assure the House that the protections that, rightly, he has included in clause 41 to restrict the use of sexual history evidence in trials can also be extended, via the guidance or via further legislation, to apply to pre-trial hearings, too, so that victims know with certainty that they will have all the protections that the Government envisage through all parts of the justice system? One reason why special measures are so necessary is that, sometimes in rape cases and all too often in the past, sexual history evidence has been brought into rape trials. It could have been thought that fewer victims would need special measures if the Bill had outlawed all inappropriate sexual history evidence.

However, many of us now accept that we cannot do everything that we had hoped for in the Bill in terms of limiting sexual history evidence, which makes screens and the strong presumption in favour of screens as proposed in amendment No. 5 even more crucial. The barrier to our making as much progress on the matter now as would be desirable is that the rules on the admissibility of evidence must be framed in the light of the definition of rape contained in the Sexual Offences Act 1956. Understandably, we cannot have two inconsistent laws.

The strong presumption in favour of screens, as proposed in the amendment, will encourage rape victims to come forward. I welcome the moves to limit sexual history evidence, but they can give complainants the complete assurance that they will not be subjected in court to humiliating or intimidating questions about their sexual history. Many women have described the experience of a trial in which they have had to go through their sexual history in intimate detail as a humiliation which made them feel as though they had been raped again.

We must recognise that however much witnesses are protected from unreasonable questioning about their sexual history, it is inevitable that, in many rape cases, witnesses will have to give intimate and detailed sexual evidence. That is bound to be the case when the defence is that intercourse did not take place. We should not forget, therefore, that the experience is bound to be traumatic and intrusive for the complainant. We are discussing ways in which that trauma and intrusion can be reduced, but it cannot be removed entirely. I have discussed with my hon. Friends the many police officers, lawyers and women's refuge workers who told us that if they had been raped, they would not take their case to court. Their testimony is eloquent.

The strong presumption in favour of special measures is relevant. Although the Bill goes some way towards reducing the admissibility of sexual history evidence, particularly in cases where the defence is arguing that the complainant consented, the Bill cannot rule out inappropriate sexual history in all rape trials. That cannot be done because the definition of rape currently on the statute book allows as a defence the argument that the defendant had an honest belief in consent, even if he now admits that the victim did not consent, or worse—that the defendant had an honest, but unreasonable belief in consent. It is incredible that such a defence should be available. We must try to make sensible laws about what constitutes reasonable evidence and appropriate special measures in a rape trial. On discovering the possible defence of an honest, but unreasonable belief that the victim consented, I felt rather like Alice stepping through the looking-glass and moving into a world of make-believe.

However, even for this defence, through the Bill, we have introduced restrictions on sexual history evidence. Those restrictions are that refusing to give such evidence could lead the jury to an unsafe conclusion, that the main purpose of the evidence must not be to undermine the victim's credibility, and that the evidence must relate to specific instances of sexual behaviour of the complainant. That is as far as we can go while such a ridiculous defence is available. That makes this amendment essential.

I should be interested to hear whether my hon. Friend the Minister believes that the Bill introduces further restrictions, in addition to those that I outlined. We wanted to reduce the horrific cases in which inappropriate sexual history is brought out in court and widely reported, which deters other victims from reporting rapes. In Committee, we discussed a case in which it was pointed out in court that in the past, the witness had had sex with an Asiatic, and that the accused happened to be an Asiatic, and another case in which the witness was reminded that she had had sex with a man older than herself who was of the same age as the defendant. It is understandable that complainants would want the court to be cleared if such evidence were presented.

Although such evidence will now be ruled irrelevant, it could be relevant if it related to specific instances of sexual behaviour and the defendant claimed an unreasonable, but honest belief that the complainant had consented. The defendant could argue that he believed stupidly, but honestly that because the complainant had had consensual sex with a similar person, she consented to sex with the defendant on the occasion in question. The Minister said in Committee that offensive and irrelevant questions should not be allowed in our courts, but under the Bill, it will still be possible to present similar evidence. That further emphasises the need for the amendment. The Bill is intended to overrule the Court of Appeal judgment in the case of Viola in 1982, which argued that a complainant's promiscuity was relevant to consent—a ridiculous judgment. The overruling would apply to consent, but not to belief in consent, as a defence. Hon. Members will agree that victims in such situations have a strong right to special measures.

[Ms Julia Drown]

I should be delighted to hear from my hon. Friend the Minister that the Bill precludes specific instances of sexual history being brought out to justify cases such as the three to which I have referred, in which case victims might not have to ask for all the particular special measures that we are making available through the clause. If so, surely we are changing the law of evidence in anticipation of how we want the law to change. That is precisely what my hon. Friend told us in Committee that we cannot do. As long as the defence of unreasonable, but honest belief in consent remains, unreasonable evidence may be admitted, which makes special measures all the more important.

Mr. Llwyd: A defence of that nature—the subjective test—exists in relation to many other offences. It is nothing new, it is not peculiar to this offence and it does not seem to create any injustice in any other context.

Ms Drown: We are particularly concerned about the attrition rate in rape cases and the fact that so many vulnerable people will not come forward because of the sort of evidence that has been brought forward in the past.

I acknowledge that the Government are tackling the larger problem by reviewing the definition of rape. That is desperately needed, because we will not be able to give women victims confidence that the law will always protect them until unreasonable belief in consent is removed as a defence from the law of the land. For that reason, special measures are even more necessary, although in a sense we are putting the cart before the horse by considering special measures and evidence first rather than the offences.

The problem with unreasonable belief in consent is not the only reason why we need those special measures. Even though there are special protections in clause 41, there is still a need for special measures, such as clearing the court or being able to give evidence from behind a screen. Under subsection (3)(b), a person might have to talk about

"sexual behaviour . . . at or about the same time as the event",

which makes special measures necessary. We need to consider whether that is the best way of protecting witnesses. It has been suggested that we should use special measures rather than look in more detail at sexual history, but we should look in more detail at the root of the issues relating to sexual history and consider whether we are doing all we can to make sure that guilty people are brought to trial. For example, clause 41(3)(b) concerns anything that happened around the time of the event and whether such events are relevant to consent, which is what the Government would argue. All those things could be brought in under rebuttal, which few people have mentioned, or under a restriction that is used in many other countries: sexual behaviour evidence should be limited to that between the defendant and the complainant.

In Committee, the Minister gave the example that it would be relevant to know that a couple had been seen kissing in a doorway or on a park bench—or, to take another example, that they had had consensual sex—an hour before the alleged incident took place. However, we were not given an example of behaviour with anyone other than the complainant which would be relevant to consent, so should not the Government be considering that as at least an added restriction to subsection (3)(b)? Can they justify subsection (3)(c)(ii), under which any previous, strikingly similar sexual history is relevant to consent?

The Government have rightly and strongly said that, in general, people do not decide to consent to sex with anyone on any occasion. People give consent on separate occasions to a certain person and the law should uphold that. If such examples are still to be brought in, we can see the case for the amendment: victims need those special measures. Subsection (3)(c)(ii) has been justified by some peculiar examples. Baroness Mallalieu has referred to a sexual history involving a "Romeo and Juliet" balcony scene followed by sex. In a trial, that would be considered to be relevant to consent if the rape was alleged to have occurred in similar circumstances. If that is to be allowed, an amendment to clause 17 such as this is definitely necessary.

7.30 pm

We need further scrutiny of these issues. The Government have gone a long way towards limiting sexual history evidence and providing better protection for rape victims. Nevertheless, until we review current sexual offences, we shall not be able to give proper protection to women and men victims of rape. The Government need to ensure that the sexual offences review concludes as soon as possible, and to get rid of the honest, but unreasonable belief in consent defence. Then we need to return to these clauses, and ensure that all irrelevant sexual history is excluded from trial and that victims can be guaranteed special measures protections that they request.

Mr. Bob Russell: The amendments are to be welcomed. If I may, I shall draw the Minister's attention to the fifth sitting of the Committee when I asked:

"Would it not be to the advantage of all concerned if, when the victim requested special measures, they were granted? Otherwise, the victim might well have to go through the equivalent of a pre-trial hearing."—[*Official Report, Standing Committee E, 17 June 1999*, c.121.]

In reply the Minister said "No" and explained that answer. Do I now understand that his answer to my request of last month is now yes?

Lorna Fitzsimons: I wish to put on record how important this amendment is and how welcome the Government's new approach has been, in particular that of the Minister and his ministerial team. He has been open to people like myself with no legal background whatever and has helped us understand the problems in other bits of the law that we, as interested parties, face—specifically in the application of special measures. We acknowledge that the Government recognise the special needs of the most vulnerable people, to which special measures he is attending, and realise that we cannot do everything in this Bill.

The achievement of the women on the Committee needs to be put on record. They and the ministerial team have been working round the problems of our awful legal system where witnesses do not count because what matters is what can be proved in a court of law. Ordinary people cannot understand it. We have pushed back the boundaries.

We need to look at the review of sexual offences and other bits of the law, such as the definition of belief. I welcome the Government's approach and believe that it will achieve a lot for the most vulnerable whose voice is not heard at present.

Mr. Boateng: I thank my hon. Friend the Member for Rochdale (Lorna Fitzsimons) for those kind remarks and echo them in relation to the Bill team who have been responsible for giving us the back-up that they have on these amendments and responding to the points made by hon. Members on both sides of the Committee during the debate.

It has been important, and it has guided our work as a Bill Committee, to determine that the courts should be required to put at the heart of their consideration of the matters before them the needs and views of individual witnesses, taken on board and understood in detail, in terms of the court determining the appropriate response to make sure that witnesses can give of their best evidence. This is all about ensuring that witnesses give of their best evidence because it is when witnesses have been able to present that best evidence to the court and the jury have had an opportunity to understand and appreciate it that the interests of justice are most likely to be served. The interests of justice are best served by our addressing the causes of attrition in a way that is based on research and developing best practice, and ensuring both through primary legislation and guidance to the court how best to give complainants the confidence and reassurance that they so desperately need to go forward with these prosecutions. Hence it is important to ensure that a menu of measures is available to the courts, so that they can consider which one will best meet a particular witness's needs. We intend to proceed down that route, rather than impose an artificial norm to be followed unless a witness protests.

Some rape complainants may find a screen helpful. In other cases, the court may decide that the witness should be kept out of the court altogether so as to be able to give of their best evidence, and that a video or live link would be better. In those cases, rather than a screen, the first thing the court should consider is a video or live link. Having taken into account the needs of the witness in some detail in the context of what is occurring in the court, the judge should be able to put those special measures in place.

The amendments ensure that sex offence complainants have confidence that they will get the understanding of the court to which they are entitled, and we must back that up with guidance. I can assure my hon. Friend the Member for South Swindon (Ms Drown) that guidance will be forthcoming: it will be clear and focused on the needs of witnesses to enable them to give of their best evidence.

The Government have heard the representations of the hon. Member for Colchester (Mr. Russell) and those of my hon. Friends in Committee, which is why we have come to this conclusion. We believe that it is important for the courts to retain proper control of how evidence is given at trial, and to strike a balance between the needs of the witnesses and the interests of a fair trial. That is necessary to accord with our European Court of Human Rights obligations. In response to my hon. Friend the Member for South Swindon, we are quite satisfied that the measures that we are introducing are entirely in accordance with our ECHR obligations. The court will be able to consider the views of all parties, including the party calling the witness, who may take a different view from that of the witness. Having borne in mind the totality of all the circumstances, it will be able to come to a proper conclusion.

In her wide-ranging speech, my hon. Friend the Member for South Swindon raised the wider issues around consent and belief in consent. I hear what she says, and note her vigorous critique of the law of rape as it now stands. There will be varying views in the House about how best to constitute the offence of rape. I am glad to say that the Government are determined to take an inclusive approach by reaching out and giving everyone an opportunity to make representations, hence the importance of the sex offences review. I am delighted that so many hon. Members availed themselves of the opportunity that I gave them earlier this week to attend that seminar, and I am grateful to them for doing so. There will need to be more debate and discussion.

Amendment agreed to.

Amendment made: No. 5, in page 14, line 2, leave out from 'offence' to end of line 5 and insert

'(or to that offence and any other offences), the witness is eligible for assistance in relation to those proceedings by virtue of this subsection unless the witness has informed the court of the witness' wish not to be so eligible by virtue of this subsection.'.—*[Mr. Boateng.]*

It being five and a half hours after the commencement of proceedings on consideration of the Bill, MR. DEPUTY SPEAKER, *pursuant to Order [this day], put forthwith the Questions necessary to dispose of the business to be concluded at that hour.*

Clause 21

SPECIAL PROVISIONS RELATING TO CHILD WITNESSES

Amendment made: No. 6, in page 17, line 35, leave out 'the witness' and insert—

'(a) any cross-examination of the witness otherwise than by the accused in person, and

(b) any subsequent re-examination.'.—*[Mr. Boateng.]*

Clause 22

EXTENSION OF PROVISIONS OF SECTION 21 TO CERTAIN WITNESSES OVER 17

Amendment made: No. 7, in page 18, line 27, leave out 'qualifying'.—*[Mr. Boateng.]*

Clause 30

AIDS TO COMMUNICATION

Amendment made: No. 8, in page 24, line 5, after 'disorder' insert 'or other impairment'.—*[Mr. Boateng.]*

Clause 66

CORRESPONDING PROVISIONS FOR NORTHERN IRELAND

Amendment made: No. 9, in page 48, line 12, at end insert—

'(3) Until the day appointed under section 3 of the Northern Ireland Act 1998 for the commencement of Parts II and III of that Act this section shall have effect with the substitution for subsection (1) of the following—

"(1) An Order in Council under paragraph 1(1)(b) of Schedule 1 to the Northern Ireland Act 1974 (legislation for Northern Ireland in the interim period) which contains a statement that it is made only for purposes corresponding to the purposes of any of the relevant provisions of this Act—

(a) shall not be subject to paragraph 1(4) and (5) of that Schedule (affirmative resolution of both Houses of Parliament), but

(b) shall be subject to annulment in pursuance of a resolution of either House of Parliament."'.—*[Mr. Boateng.]*

Schedule 4

MINOR AND CONSEQUENTIAL AMENDMENTS

Amendments made: No. 10, in page 74, line 29, leave out from beginning to 'substitute' in line 30 and insert—

'22.—(1) Section 51 (intimidation etc. of witnesses, jurors and others) is amended as follows.

(2) For subsections (1) to (3) (offences of intimidating, and of doing or threatening harm to, witnesses etc.)'.

No. 11, in page 75, line 9, at end insert—

'(3) In subsection (8) (presumption in proceedings for offence under subsection (2))—

(a) for "he did or threatened to do an act falling within paragraph (a) within the relevant period" substitute "within the relevant period—

(a) he did an act which harmed, and was intended to harm, another person, or

(b) intending to cause another person fear of harm, he threatened to do an act which would harm that other person,

and that he did the act, or (as the case may be) threatened to do the act,"; and

(b) after "to have done the act" insert "or (as the case may be) threatened to do the act".'.—*[Mr. Boateng.]*

Order for Third Reading read.

7.40 pm

Mr. Straw: I beg to move, That the Bill be now read the Third time.

The Bill reflects our belief that the function of the criminal justice system goes far wider than reaching the right decision about a defendant's guilt or innocence and meteing out punishments to the guilty. Every part of that system has a role to play in reducing crime and the fear of crime. At the same time, the way in which the system deals with defendants, victims, witnesses and the wider community can help to foster a sense of a tolerant and just society, where rights and responsibilities are properly balanced.

The purpose of a trial is to reach a just conclusion on the defendant's guilt or innocence. In our jurisdiction, we use an adversarial system to achieve that aim. The Bill does not change that, but we must never forget that that system is a means to an end, not an end in itself. We should always keep open the way in which the forensic part of the system operates, aiming to improve its efficiency and effectiveness and to ensure, so far as humanly possible, not only that no innocent person is convicted, but that the guilty never go free and—it has been a defect in the system in the current century and in a good part of the previous one—that the individual victim and the community, which is always an indirect victim of crime, are given proper dignity and centrality at the heart of the criminal justice system.

Part I further takes forward our pledges to reduce youth offending. As we said in greater detail at the beginning of today's proceedings, we do not believe that the courtroom and the drama that it creates, where the young defendant is often a spectator, is conducive to a full investigation of a young person's offending—once guilt has been admitted or, indeed, determined—or to a full investigation of the crime's underlying causes, which must involve the young person and must bring in his or her parents, the victims and the wider community.

Therefore, as we have discussed at some length, the Bill separates the determination of guilt and the sentencing process in that investigation. Sentencing will be conducted by way of referral to a youth offender panel, where we will aim—the experience of Scotland has well illustrated what can happen—to achieve the investigation of the young person's offending and its underlying causes without the direct involvement of lawyers.

That is not to besmirch the reputation of a fine profession, of which the Minister of State, Home Office, my hon. Friend the Member for Brent, South (Mr. Boateng), the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) and many other hon. Members, including me, are proud to be members. Indeed, on some occasions, I think that membership of the legal profession might be a prior qualification for becoming an hon. Member.

Mr. Beith: There are too many lawyers.

Mr. Straw: There are never too many. I am glad to underline my affection for my profession. That said, there are jobs for which lawyers are well qualified, which are to do with the law and forensic examination of guilt or innocence, and jobs for which they are not particularly qualified and for which their qualifications may not be appropriate. They arise at the point where guilt has been determined and the issue is how to get the young offender to deal with his offending behaviour. It is interesting that, in Scotland, at that point, lawyers are not involved in Scotland's youth offender panels.

Part II of the Bill recognises the fact, which we sometimes forget, that the trial process involves more people than the defendant, and that trials could not proceed without witnesses, not least witnesses for the prosecution. However, for some witnesses the circumstances of the case, their own situation or the nature of their evidence makes the experience of giving evidence so difficult for them that their ability to provide that evidence, or their co-operation with a case, is affected. The intimidation of witnesses is a mounting problem in our society, not only in large and very serious cases, but in cases that the criminal calendar may regard as smaller cases involving relatively minor offences—which, nevertheless, are profoundly important to those who have been affected by them.

The Bill therefore provides practical measures to help such witnesses to come forward and give evidence at trial. Moreover, it implements our manifesto pledges to provide greater protection to victims in rape and sexual offence trials, and to all witnesses, whatever the nature of the trial, who are subject to intimidation. The Bill provides ways of protecting witnesses from some of the more distressing aspects of the trial process, while preserving defendants' rights.

There has been much discussion about the balance of the provisions, particularly on protections in the reporting of cases involving juvenile defendants to age 18. There has also been very considerable discussion—I have no need detain the House—*[Interruption.]* I am very glad to have that approbation, from whichever quarter it came: I shall ask the Whip to take his or her name.

Mr. Bob Russell: It was the Whip.

Mr. Straw: The Whip is a non-lawyer. There was a time when Whips on the Treasury Bench understood their duty, which was to ensure that Ministers' wishes were complied with and, in return for a healthy salary, to keep quiet at all times.

As my hon. Friend the Minister of State and I have explained, restrictions on child victims and witnesses before trial will be implemented if, after Royal Assent, we continue to be as concerned as we are about children being damaged by the nature of the reporting. However, I have good reason to hope that our concerns may well be allayed. Although we shall continue to keep the matter under review, it will, regardless, be possible to implement the restrictions only after a debate and vote in their favour in both Houses.

I am very grateful for the level of consideration that the Bill has received, both in the other place and in this House. I should also like to express my appreciation for the positive and constructive contribution made by the hon. Member for Ryedale (Mr. Greenway) and his colleagues, the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd), and the right hon. Member for Berwick-upon-Tweed (Mr. Beith) and his colleagues.

The Bill has, quite rightly, been subject to argument. However, we have always—certainly since I have been at the Home Office—sought to recognise that, although Ministers make propositions to this House and to the other place, it is rare for proposals to be incapable of improvement. They have been improved by the House and the Committee doing their job, and I am grateful to hon. Members who have contributed to that process.

The Bill is designed to deliver two key manifesto commitments: reduction in youth crime, and greater protection for sex-offence complainants and intimidated witnesses. Taken together with the rest of our crime-reduction programme, the Bill should help to rebuild the confidence that our citizens should have in the criminal justice system, which exists to serve them and exercise justice on their behalf.

7.50 pm

Mr. Greenway: I am grateful for the Home Secretary's remarks about our approach to the Bill. We promised on Second Reading that we would give it constructive scrutiny. I am grateful to the Minister of State for his comment that our contribution has been constructive. I believe that we have also been comprehensive. We have managed to make speedy progress, but we have looked carefully at all aspects of the Bill, even though at times, as now, it has been something of a solo effort on my part.

The Home Secretary has clearly not acquainted himself with all the Committee *Hansard* reports, because his comments about lawyers are in stark contrast to what the Under-Secretary of State for the Home Department, the hon. Member for Knowsley, North and Sefton, East (Mr. Howarth), said in Committee. When we approached the more contentious and complex issues in part II relating to the conduct of rape trials, he agreed that not being a lawyer was an advantage. There is a reshuffle coming, but I felt that, for the benefit of all of us who are not lawyers, I ought to remind the Home Secretary that we can make a valid and important contribution, as I believe that we have done.

We broadly support the Bill and agree with its objectives but we have some concerns, which have been well rehearsed in Committee and today. There is a lack of flexibility on youth justice, but we shall see how matters progress. We also have concerns about the Bill's impact on the immediate problem of youth offending in our communities. Like the measures in the Crime and Disorder Act 1998, the youth justice provisions in the Bill will be subject to extensive piloting. No one is saying that making sure that they get it right is not the way for the Government to proceed, but they must accept that that approach means that there is little immediate relief in prospect for communities throughout Britain blighted by the petty crime, vandalism and rowdy behaviour of youngsters. Even where the plans are piloted, only first-time offenders who plead guilty will be sent to a youth offender panel.

It is clear from other exchanges that we have had—not on this Bill—that there is still scant evidence that the Government's other measures are having much impact on persistent young offenders. I am sure that the Home Secretary expects me to tell him that we shall make sure that when, in the usual fanfare of publicity, the Government announce the pilot areas for the youth offender panel reforms, we shall make sure that the rest of the country is aware that, for all the Government's talk about getting tough on the young thugs who terrorise housing estates and the wider community, the Government's plans are for the very long term and there is very little prospect of immediate relief. If our roles were reversed I am sure that the Home Secretary would be assuring me of the same.

We welcome the provisions on vulnerable and intimidated witnesses and we remain profoundly committed to a criminal justice system that encourages victims and witnesses to report crimes and enables them to give evidence easily and without intimidation. Although we have some questions about whether it was right to remove all discretion from the court on unrepresented defendants, we believe that it is right to protect victims, particularly victims of rape, from cross-examination by the defendant.

On evidence of previous sexual behaviour, we agree that some changes in this area were long overdue, and that questions that were merely designed to embarrass, humiliate or blacken the complainant in the eyes of the jury should not be permitted.

We have residual concerns—as will have been evident from the debate on new clause 2—about the clause 44 reporting restrictions. That is one element of the Bill about which I hope we have heard the last, and we hope that the order never sees the light of day. I still think that the Bill is deficient in that regard, but no matter. There is at least a mechanism within the Bill to give some comfort to the media. I hope that their confidence in that does not turn out to be misplaced.

7.56 pm

Mr. Beith: We support the Bill, and we have long campaigned for a fundamental reform of the youth justice system. We think that the Bill is an important step in that direction. Seventy per cent. of adults with a conviction started offending as young offenders. We have to address that problem of young offenders, and the Bill—particularly in its attempts to deal with first offenders among young offenders—is a valuable step in that direction.

We welcome the second part of the Bill, particularly the proposals on complainants and witnesses in sexual offence cases. I strongly welcome the clauses that provide that defendants charged with rape or other sexual offences who choose to conduct their own defence, as is their right, may not cross-examine the alleged victim. Recent cases have made it clear that that provision was necessary, and I strongly welcome its inclusion in the Bill.

The only aspect of the Bill about which we had serious doubts was the third part, dealing with reporting. The Government responded to our concerns and those of others, but they have taken what we considered to be a blunt instrument to be used against responsible sections of the press as well as irresponsible sections and, instead of refining it, have put it in a cupboard. It can be got out when they want it, but it is still a blunt instrument. If the Government attempt to bring in the orders, it will be unsatisfactory, as we will not be able to amend the provisions—it will be take it or leave it. That is the weakest feature of the Bill, and I hope that we will not see those powers brought in. That is one drawback in a Bill that we generally welcome and that we will support.

7.58 pm

Caroline Flint: May I say how much I and my colleagues welcome the Bill, which is historic and is about progress?

We welcomed the assurances given in Committee, as well as the further support to be given to victims of domestic violence and adults with learning disabilities—something that has not been discussed this afternoon.

Legislation is only as good as those who implement it. The Bill came about because the provisions that were made the last time the matter was discussed were not being implemented in the spirit in which they were discussed. We have been tackling that, and I was pleased to receive assurances from Ministers on that.

In Committee, we received two assurances. The first was that we must give training to those judges who are in charge of implementing the legislation. The other was that, as soon as this Bill becomes law, there will be effective monitoring and evaluation of the law. We do not want to wait three or four years to call for a review, and we must make sure that the law is monitored and evaluated as it is implemented. In that way, we can make sure that there is good law.

I thank the ministerial team for the way in which they have presented the Bill and worked with Committee members.

Question put and agreed to.

Bill accordingly read the Third time, and passed, with amendments.

EUROPEAN COMMUNITY DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Standing Committees),

EC PRELIMINARY DRAFT BUDGET FOR 2000

That this House takes note of European Union Documents Nos. COM(99)200, the Preliminary Draft Budget (PDB) of the European Communities for 2000, and SEC(99)600, the Commission's Overview of the PDB; and supports the Government's efforts to maintain budget discipline in the Community; and European Union Document No. 7698/99, Inter-Institutional Agreement (IIA) between the European Parliament, the Council and the Commission of 6th May 1999 on budgetary discipline and improvement of the budgetary procedure; and supports the Government in welcoming the renewal of the IIA as an important contribution to increasing the efficiency of the budgetary procedure and to maintaining budgetary discipline.—*[Mr. Mike Hall.]*

Question agreed to.

BUSINESS OF THE HOUSE

Ordered,

That paragraph 2(a) of Standing Order No. 54 (Consideration of estimates) shall not apply at the sitting on Monday 12th July, insofar as any Motion in the name of Margaret Beckett relating to the Eighth Report from the Committee on Standards and Privileges (HC 607) shall stand as first business.—*[Mr. Mike Hall.]*

PETITIONS

Hunting with Dogs

8 pm

Mr. Mike Hancock (Portsmouth, South): I have great pleasure in presenting a petition signed by 42,500 people from throughout the United Kingdom, including many from my constituency, on the issue of hunting with dogs. The petition is sponsored by the International Fund for Animal Welfare, the League Against Cruel Sports and the Royal Society for the Prevention of Cruelty to Animals.

The petition is yet another part of the jigsaw that is being put together that will, we hope, ultimately bring about the end of hunting in this country. Among the signatories are Anne Ruach from London and Dean and Jodi Hancock from Porchester in Hampshire. It gives me great pleasure to present the petition to the House.

The petition

Declares that we believe that hunting with dogs is cruel and unnecessary and has no place in modern Britain.

The Petitioners therefore request that the House of Commons calls on the Government to act on the overwhelming mandate it has received from Honourable Members and the public to end hunting by making a clear commitment by the year 2000 to legislate for its abolition.

To lie upon the Table.

Stroke Unit (Hull)

Mr. Alan Johnson (Hull, West and Hessle): The petition of the members of the OK Stroke club and their supporters had 16,000 signatures when they set out from Hull to London and 16,083 by the time that they completed the journey. The petition

Declares that the lack of a specialist stroke unit in Hull and East Yorkshire means that there are avoidable deaths and avoidable disabilities in this area as a result of strokes. Most other parts of the country now have stroke units.

The Petitioners therefore request that the House of Commons urge the Secretary of State for Health to do all in his power to ensure that a specialist stroke unit is provided for the people of Hull and East Yorkshire.

To lie upon the Table.

Rail Regulation (Wales)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Mike Hall.]*

8.2 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy): I begin by referring to the transport powers that have been transferred to the National Assembly for Wales. I am wary of what Madam Speaker had to say on Wednesday, so I shall be careful about what I say. As I understand it, there is some limited rail investment through strategic development schemes and the Assembly can fund or regulate trunk roads, bus services and integrated transport packages. Local authorities have powers to fund local road construction and maintenance, bus services and some limited rail service development.

Integrated public transport policies are among today's big ideas, and rightly so, but there is a considerable problem in ensuring an integrated, sustainable transport policy for Wales—the glaring absence of any substantial powers under present legislation for the national authority to co-ordinate rail transport with other forms of public transport.

The White Paper on devolution suggested that the Assembly should be able to monitor the performance of the Office of Passenger Rail Franchising. It said:

"The Assembly will also be able to invite evidence from various regulatory bodies including the Office of Passenger Rail Franchising. Government policy therefore appears to be that the National Assembly should be able to monitor the activities of these bodies and make its views known. However, these bodies will remain accountable to Parliament at Westminster."

One way forward for rail services in Wales may be through local authority funding. The Assembly has just taken over the transport powers of the Welsh Office, one of whose functions was to oversee passenger rail services in Wales. The departmental report for 1998 stated that more than £8 million was allocated to local authorities for improvements to the rail infrastructure between Cardiff and the valleys for the period 1996–97 to 1998–99. However, an all-Wales passenger transport authority would be preferable, as it would provide considerably more investment. The establishment of such a body would require primary legislation. At present, only metropolitan counties are passenger transport areas: only they, therefore, qualify for the establishment of passenger transport authorities or executives.

The financial implications of funding and its sources will be an issue. Other matters to be considered will be block grants, the transfer of current Opraf payments, investment funding for railways from the Department of the Environment, Transport and the Regions, and so on. The addition of the railways to the National Assembly's expenditure portfolio would require a negotiated settlement estimated at between £80 million to £100 million, based on passenger miles within each franchise operating in Wales. That figure would, of course, be reduced in line with the subsidy profile.

Although there is a need to ensure that Wales is perceived as a country that is efficient and easily accessible to road-based inward investors and tourists, there is also a longer-term requirement for a sustainable transport policy that reduces both pollution and congestion. There is no doubt that Wales's road and rail network has been grossly underfunded for the past quarter of a century. To be frank, the picture is a bad one.

[Mr. Elfyn Llwyd]

There is a lot of work to be done, and the Minister more than anyone will realise how important it is to put the right transport infrastructure in place. It is likely that the greening of the road building programme by the previous Government was a Treasury-led, cost-cutting exercise. The Welsh Office has published two documents that are appropriate starting points, but they must be backed by adequate funding if policies are to be turned into actions and are not to become mere platitudes.

The adequacy of the Welsh block grant—now transferred to the Assembly—will impact on road and rail expenditure, but at present no account is taken of any particular transport needs, nor of the current state of infrastructure in urban and rural Wales. Therefore, to overcome past underfunding, considerably higher amounts are required. The National Assembly has no control over expenditure in certain areas, such as major railway infrastructure. It faces the challenge of ensuring that Wales receives its fair share, and its relationship with the Strategic Rail Authority will be crucial.

The consultation process on the SRA began yesterday. I understand that the authority's main purpose will be to provide a clear strategic direction for rail transport in Britain. It will also promote—inside the Government and among the public—passenger and freight transport by rail, and it will foster a climate that encourages private investment in the railways.

The SRA will be the single body, accountable to the Secretary of State, responsible for strategic planning. It will co-ordinate and supervise the activities of the rail industry, as well as the disbursement of public funds. It will also have the clear aim of co-ordinating strategic objectives with the Government and other interested parties, which include passenger operators, consumers, freight operators and Railtrack. The SRA is also tasked to lead and promote a radical improvement in the integration of rail with other transport modes, and to maximise benefits to the rail user as far as possible, acting as an advocate of passengers and freight consumers.

The Department of the Environment, Transport and the Regions enumerated its concerns and aims in its recent response to the Select Committee on the Environment, Transport and Regional Affairs. No one could argue with the Department's aims, but Wales is at a gross disadvantage. The National Assembly for Wales has a relative lack of power to oversee the strategic development of rail services in comparison with both the Scottish Parliament and the Greater London Authority. That is a raw deal for our railways. Creating an integrated transport policy will not be easy unless the powers are right.

The SRA will work closely with key organisations, passenger transport executives and co-signatories to several franchise agreements. The Scottish Executive will have power to instruct and guide the SRA on certain aspects of rail services that are wholly in Scotland. The GLA will be able to procure enhanced rail services from the SRA and propose changes to the pattern of services in London. The Welsh Assembly, by contrast, will be consulted only on passenger service specifications. None of those powers will compromise the SRA's duty to plan the operation and development of the rail network strategically across Great Britain.

The Welsh Assembly plainly has considerably weaker powers than the Scottish Parliament and the Greater London Authority, a distinction crucial to the economic development of Wales. A Cardiff office of the SRA could help properly to integrate rail services in Wales, which are currently poor. Back-Bench Members whinge, and Ministers get fed up of us, but I say nothing against the Minister by pointing out that rail services in Wales are probably at their lowest ebb.

Siting an office in Cardiff could help in the short term. Consultation is beginning on the proposed Railways Bill. Will the Minister convey the idea of a Cardiff office to the Secretary of State for the Environment, Transport and the Regions? It would help our economy as well as developing a sustainable transport policy for Wales. I want a passenger transport authority for Wales—but for the time being, a Welsh SRA would be a useful step.

Last month, the Welsh Consumer Council reported on railways in "The European Connection: A report on transport connections to Europe". It found that railways in Wales were in a perilous state, never having been so poor. It observed that the system in Wales had become fragmented, failing to deliver any of the perceived benefits of privatisation. It opined that the quality of service to passengers had reached an all-time low.

Old trains are being transferred from routes in England to Wales. Recently, a relatively new set was taken off the north Wales coast railway to be replaced by a 1957 set. That is not good enough on one of the main lines in north Wales. The report also observes that the Assembly will control budget subsidies for roads, but will have no control over railways. The different administrative locations will make integration and co-operation difficult. Its firm conclusion is that the National Assembly should create a passenger transport executive so that—inter alia—the needs of passengers come first, and so that all forms of public transport are integrated and there is sufficient investment by rail operators in new rolling stock, staff and stations to provide an efficient, all-round service.

Three months ago, some high-powered Japanese entrepreneurs visited north Wales. They were intent on investing in the old county of Clywd in the eastern part of north Wales. Their arrival on train was delayed by two hours; shortly afterwards, they decided that investment was not a good idea. If that is not a graphic example of how the situation is hitting us economically, I do not know what is.

We are beginning the consultation period on the Railways Bill. I urge the hon. Lady to bring these matters to the attention of her right hon. Friend the Secretary of State, so that the legitimate and deeply held concerns of the Welsh travelling public are met and so that, at the end of the day, Wales, too, will have a first-class, integrated public transport system with an excellent railway at its heart.

8.16 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Ms Glenda Jackson): I congratulate the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) on securing this debate and providing an opportunity for the House to discuss railway regulation in Wales.

I am sure that the hon. Gentleman is aware that one of the key objectives identified at the national rail summit in February was to improve the quality of service for

passengers while obtaining the best possible value for money for the taxpayer. One of the steps towards achieving that objective was the setting up, on 1 April, of the shadow Strategic Rail Authority, under Sir Alastair Morton, with Mike Grant as the new franchising director. The work of that body is well under way. Our new Railways Bill will formally establish the Strategic Rail Authority on a statutory basis, as well as aiding our regulation of railways in general—including those in Wales.

Our Bill will put right some of the more glaring faults of the previous Administration's privatisation. It will amend the tangled mess of railways legislation left by that Administration. They left our railways without a single voice, champion or focus. The railways were run as separate businesses, not a national network. What does our Railways Bill do?

As I said, the Bill establishes the Strategic Rail Authority. It sets out the mission statement for the SRA: to promote the use of the railway network for passengers and for freight; to secure the development of the railway network; and to contribute towards integrated transport. The Bill requires the SRA to produce a strategy or strategies to fulfil that mission. It transfers the duties of consumer protection to the SRA and a simplified closure procedure to the Secretary of State. It retains the rail regulator as an independent economic regulator, subject only to high-level guidance from Ministers on the Government's transport policy. It allows the SRA to ask the rail regulator to direct owners of railway facilities, such as trains or stations, to enhance them or provide new facilities. The Bill will enable the SRA to step in and operate trains if a franchise goes bankrupt, or if there are no acceptable private sector bids when a franchise is re-let.

The Bill allows the SRA, and the rail regulator, to impose more effective sanctions on those who break the terms of their franchise agreements or licences. In contrast to the position under the Railways Act 1993, contraventions that may have caused widespread inconvenience and loss, but which have been remedied by the time lengthy enforcement action is completed, could in future attract penalties. The Government have agreed in principle that the SRA will be able to retain income from penalties and reinvest it in the railways.

It is vital that our railways are run as a national network and because of that they must remain a reserved matter. However, that will be to the advantage of Wales—for which proper rail links are, I know, extremely important. Indeed, in his closing remarks, the hon. Gentleman demonstrated that vital importance in respect of inward investment.

We also know and respect the needs and concerns of the devolved Administration. My right hon. Friend the Deputy Prime Minister has agreed with the our right hon. Friend the Secretary of State for Wales that there will be Welsh representation on the Strategic Rail Authority, and that the authority will consult the Assembly about the exercise of its functions as they relate to Wales.

The hon. Member for Meirionnydd Nant Conwy suggested the establishment of a separate SRA for Wales, but, as I have said, what is overwhelmingly important is for us to return to the concept of a national integrated network. An SRA for Wales could not form a strategy for the whole network, and that would disadvantage Wales as well as the wider railway network.

It is essential for the SRA to be able to ensure that the railways are run as a national network, and to produce a strategy for the whole network. Most Welsh services start, end, or pass through England. Cutting them off—making them a separate entity—would lead to even more fragmentation. As I have said, proper, coherent links are vital to Wales.

The hon. Gentleman referred to the different position in Scotland. The position is different there because the network is largely self-contained. A Scottish policy will not have the impact on the rest of Great Britain that a Welsh policy might have; nor will it fragment Scottish services. The powers of Scottish Ministers will, however, be exercisable only within the Great Britain strategic framework.

Given the huge pressure on legislative time in the House of Commons, the introduction of the Railways Bill now is, we believe, an unequivocal demonstration of the resolve of my right hon. Friend the Deputy Prime Minister, and indeed of the Government as a whole, to fulfil our side of the bargain and improve our railway services. That will be of inordinate benefit to Wales, and to Great Britain as a whole. I am sure the hon. Gentleman will agree that it is both a welcome and a fundamental step towards a better railway, which, in turn, will feed into the aims and objectives announced last year in our integrated transport White Paper.

An obvious factor that influences people's choice of transport is performance. The main concern of passengers is that their trains run, and run to time. As the hon. Gentleman said, performance in many parts of Wales is, or has been, below par, notably the service recently provided by the Valley Lines—formerly known as Cardiff Railway—and Wales and West Passenger Trains. Long-term problems have also been experienced on Great Western Trains and the west coast main line.

The franchise agreements for all but InterCity operators include a punctuality incentive regime, under which companies are rewarded for improved performance or penalised for poor performance. It will come as no surprise to rail users in Wales, or indeed to the hon. Gentleman, to hear that between them Valley Lines, Wales and West Passenger Trains, Great Western and Central Trains paid more than £4 million under these regimes in the financial year up to 31 March 1999. That is a lamentable advertisement for rail services in Wales.

We have made it clear that poor performance by train operators will not be tolerated. Last November, an action plan was agreed with franchisees and Railtrack to secure short-term improvements in performance. Measures agreed included 800 new train drivers, 500 new vehicles, a joint "hit squad" to identify and tackle the worst 50 black spots, a national "trouble shooter" team to tackle punctuality problems, and a new national passenger survey to find out what passengers think about their rail services, and to help measure performance across the network.

As I have said, building on the success of the November meeting, the national rail summit took place in February to assess progress on the action plan, and to put in place solutions to tackle medium to long-term problems. We also launched the national passenger survey, and the start of a consultation with the rail industry and passenger representatives on a new standard measure of overall performance to reflect the experience

[Ms Glenda Jackson]

of passengers more accurately. The rail industry also accepted our challenge to improve punctuality over the next year, and committed itself to deliver real performance improvements that are measurable year on year.

When franchises are renegotiated, past performance will be one of the criteria on which operators are assessed and considered for future involvement in the industry. We have warned all train operators that those who fail to improve services will have no long-term future in our railways.

There are some significant new rail developments in Wales. The first of these is bilingual signing, and I understand that Wales and West Passenger Trains is in the process of installing bilingual customer information systems at all of the stations within Wales that it manages. I welcome that initiative as an example of a train operator responding to the wishes of passengers in Wales. The second is the north to south Wales fast train service, which was announced on 25 March. A feasibility study has been conducted and, although funding has yet to be finalised, the anticipated start date remains summer 2000. Thirdly, while I welcome the increase in frequency of Great Western trains between London Paddington and Bristol from June, I welcome even more its increasing the frequency of London to Cardiff trains by 2001.

We are committed to encouraging more people to travel by rail and to ensuring more investment in the rail network. That is why we have made available additional funding for a new rail passenger partnership scheme, launched on 24 May and aimed specifically at providing support for locally sponsored services that are not commercially viable. Applications for funding will be assessed on planning criteria that take wider social benefits into account. Guidance has been issued to local authorities on how to bid for funds under that scheme.

Proposals for RPP support can be submitted by various bodies, including local authorities, passenger transport executives and authorities, and train operating companies, either as individuals or consortiums. Local authorities and others are encouraged to come forward with proposals. Formal bids will be appraised to ensure that they are consistent with Opraf's planning criteria and the franchising director's objectives, instructions and guidance. Bids will have to demonstrate the achievement of value for money in the delivery of the scheme. Copies of the RPP bidding guidance and planning criteria have already been sent to all local authorities.

I repeat, our perception is that it is vital that our railways are run as a national network, and that that will be to the advantage of Wales. We recognise the needs and concerns of the devolved Administrations and we are listening to them. The Government would strongly and wholeheartedly endorse the points made by the hon. Gentleman about the needs of railways as part of a properly integrated transport system. However, as I said, we believe that to split off the railways in Wales would make the situation in Wales even worse. Many of the problems that passengers in Wales suffer are, as we know, owed to the failure of previous Administrations adequately to invest in our railways. The Government are committed to change that, not only by our policies, but by our approach to regulation and through the additional funding that we have found for our railways. I assure the hon. Gentleman and all the people of Wales that Wales is central to our considerations and to the delivery of our programme.

Question put and agreed to.

Adjourned accordingly at twenty-eight minutes past Eight o'clock.

Written Answers to Questions

Monday 28 June 1999

SOCIAL SECURITY

Disability Living Allowance

Mr. Cotter: To ask the Secretary of State for Social Security how many applications for Disability Living Allowance have been allowed *(a)* at the appeal stage and *(b)* after an initial refusal, in each of the last three years; and how many applications have been allowed in total. [88229]

Mr. Timms: The administration of Disability Living Allowance is a matter for Mr. Peter Mathison, Chief Executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. Brian Cotter, dated 25 June 1999:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question about how many applications for disability living allowance have been allowed (a) at the appeal stage and (b) after an initial refusal, in each of the last three years; and how many applications have been allowed in total.

The information you have requested is as follows:

	1996–97	*1997–98*	*1998–99*
DLA claims allowed at appeal by ITS	13,346	12,710	16,261
DLA claims allowed on review	44,784	44,288	31,629
Number of DLA claims awarded	239,669	211,249	175,597
Total number of claims awarded 1996–99	—	—	626,515

Note:
Independent Tribunal Service

I hope you find this reply helpful.

Gay Relationships

Mr. Gordon Prentice: To ask the Secretary of State for Social Security if he will assess the advantages and disadvantages to the social security system of recognising gay relationships. [87348]

Angela Eagle: In the contributory benefits system, all rights to contributory benefits derived from another person's contributions are based on the concept of a legal marriage.

In income-related benefits, a couple is treated as a single unit, and benefit is calculated on the basis of the couple's combined needs and resources. A couple means either a married couple, or a man and a woman who are living together as husband and wife. In this country, current legislation permits a contract of marriage between members of the opposite sex only. Income-related benefits rules, which define an unmarried couple as comprising a man and a woman, follow this principle.

Currently, we have no plans to carry out an assessment of the Social Security system as proposed. However, we do keep the system under review and aim to build a modern Social Security system which reflects today's changed society.

Millennium Compliance

Mr. Rendel: To ask the Secretary of State for Social Security what independent assessment he plans to make of the Year 2000 compliance of his Department's business-critical information technology systems. [88402]

Angela Eagle: Aspects of the Department's Year 2000 Programme as well as the Programme overall have already been subject to more than 20 independent assessments since work commenced in 1995. The latest one was conducted by IMPACT consultancy in May. This assessment was undertaken to fulfil our part in Action 2000's Independent Assessment Project of essential sectors of the national infrastructure. Findings will be disclosed at the National Infrastructure Forum on 13 July.

The Department will be commissioning a further round of independent assessments of all delivery organisations later in the year and the results will be made available as part of the National Infrastructure Project monitoring phase.

DEFENCE

Territorial Army

Mr. Key: To ask the Secretary of State for Defence (1) if he will list the TA units due to be disbanded within the next six months; [88378]

(2) if he will list the TA units which have been disbanded since 28 November 1998. [88365]

Mr. Doug Henderson: In accordance with the announcement on the restructuring of the Territorial Army made by my right hon. Friend the Secretary of State for Defence on 17 November 1998, *Official Report*, columns 749–71, the following battalion and company units are due to disband by 1 July 1999:

Royal Armoured Corps

Scottish Yeomanry—elements are to transfer to the Queen's Own Yeomanry

Kings Own Yorkshire Yeomanry (Light Infantry)—the elements are to re-role

Royal Armoured Corps Pool of Officers

Royal Regiment of Artillery

201 (St. Albans) and 202 (Swaffham) Batteries 100 Regiment Royal Artillery

289 Commando (Poole) Battery Royal Artillery

Royal Engineers

72 Regiment Royal Engineers

106 (Dewsbury), 350 (Chilwell) and 575 (Buxton) Field Squadrons 73 Engineer Regiment Royal Engineers

74 Independent Field Squadron

125 (Stafford) and 202 Field Squadrons 75 Engineer Regiment Royal Engineers

76 (less HQ and Workshop) and 78 (less Tunbridge Wells) Engineer Regiments Royal Engineers

77 Engineer Regiment Royal Engineers

220 Field Squadron, 101 Engineer Regiment (Explosive Ordnance Disposal)

198 Field Park Squadron Royal Engineers

Military Works Force—will be reduced

Infantry [1]

Lowland Volunteers

3rd Battalion Royal Highland Fusiliers

3rd Battalion The Black Watch

3rd Battalion The Highlanders

7th/8th Battalion The Argyll and Sutherland Highlanders

5th Battalion Princess of Wales's Royal Regiment

6th/7th Battalion The Princess of Wales's Royal Regiment

The London Regiment

5th Battalion Royal Regiment of Fusiliers

6th Battalion Royal Regiment of Fusiliers

6th Battalion Royal Anglian Regiment

7th Battalion Royal Anglian Regiment

4th Battalion The Kings Own Royal Border Regiment

5th/8th Kings Regiment

3rd Battalion The Prince of Wales's Own Regiment

4th/5th Green Howards

4th Battalion The Queen's Lancashire Regiment

3rd Battalion The Duke of Wellington's Regiment

4th Battalion Devonshire and Dorset Regiment

3rd Battalion The Cheshire Regiment

3rd Battalion The Royal Welch Fusiliers

2nd Battalion The Royal Regiment of Wales

2nd Battalion Royal Gloucestershire, Berkshire and Wiltshire Regiment

3rd Battalion the Worcestershire and Sherwood Foresters Regiment

The Staffordshire Regiment

5th Battalion The Light Infantry

6th Battalion The Light Infantry

7th Battalion The Light Infantry

4th Battalion Royal Green Jackets

5th Battalion Royal Green Jackets

4th/5th Battalion The Royal Irish Rangers

4th Battalion The Parachute Regiment

10th Battalion The Parachute Regiment

Royal Logistic Corps

562 Transport Squadron, 151 Transport Regiment Royal Logistic Corps

67 Stores Squadron Royal Logistic Corps

166 Logistic Support Regiment Royal Logistic Corps

143 Stores Squadron Royal Logistic Corps

209 Printing Troop

241 General Support Squadron Royal Logistic Corps

280 and 281 Movement Control Squadrons Royal Logistic Corps

65 Petroleum Squadron Royal Logistic Corps

68 Vehicle Squadron Royal Logistic Corps

HQ 86 Postal and Courier Regiment Royal Logistic Corps

Explosive Ordnance Disposal Squadron Royal Logistic Corps

Royal Electrical and Mechanical Engineers

202 Port and Reclamation Company 105 Battalion Royal Electrical and Mechanical Engineers

207 Workshop Company 105 Battalion Royal Electrical and Mechanical Engineers

HQ Royal Electrical and Mechanical Engineers Pool of Officers

TA Specialist Increment REME

Adjutant General's Corps (Royal Military Police)

152, 163, 164, 165, 251 and 254 Provost Companies Royal Military Police

Bands

Royal Gloucestershire Hussars Band

South Nottinghamshire Hussars (Yeomanry) Royal Horse Artillery Band

Royal Signals Band

Royal Highland Fusiliers (Territorial) Band

Warwickshire Band Royal Regiment of Fusiliers

Yorkshire (Volunteers) Band

Berkshire and Hampshire Band

Light Infantry Burma Band

Army Medical Services (Territorial Army) Band

No further units other than those affected by SDR and listed above are due to disband between 1 July and 31 December 1999.

[1] 15 new Infantry Battalions with a total of 64 companies will be formed as opposed to the current 33 battalions. Capbadge affiliations will remain at Company level.

Mr. Key: To ask the Secretary of State for Defence how many TA soldiers have left the service since November 1998 *(a)* voluntarily and *(b)* compulsorily. [88364]

Mr. Doug Henderson: In the period of 1 November 1998 to 30 April 1999, 7,980 soldiers left the Territorial Army and 3,690 joined. Of those leaving, 7,271 left on completion of their engagement, 194 left voluntarily before their term of engagement was complete and 515 were compulsorily discharged for reasons including failure to complete training, misconduct, inefficiency or poor health.

Departmental Spending (Scotland)

Mr. Galbraith: To ask the Secretary of State for Defence how much his Department spent in Scotland in the last year for which figures are available; and if he will make a statement. [87419]

Mr. Doug Henderson: Information on total defence expenditure is not generally held on a regional basis. However defence expenditure on equipment in UK regions is available. The latest available figures for equipment expenditure in Scotland (as published in "UK Defence Statistics 1998") are as follows:

Year	*£ million*	*Percentage*
1990–91	600	[1]8
1993–94	550	7.5
1994–95	550	8.5
1995–96	600	9
1996–97	550	8

[1] Of total UK expenditure on equipment

Note:

These figures are VAT-exclusive and rounded to the nearest £50 million and 0.5 per cent. respectively. They relate to the locations of the defence equipment contractors and do not take account of those of sub-contractors. If the latter could be allowed for, the regional distribution might differ significantly from that shown.

Peacekeeping Force (Kosovo)

Ms Drown: To ask the Secretary of State for Defence if it is Her Majesty's Government's policy to follow the

UN Department of Peacekeeping Operations' guidelines on the minimum age for peacekeepers in relation to the UK members of the NATO peacekeeping force in Kosovo. [88015]

Mr. Doug Henderson *[holding answer 24 June 1999]:* I refer my hon. Friend to the answer I gave to the hon. Member for Richmond Park (Dr. Tonge) on 24 June 1999, *Official Report*, column *451*.

Infantry Battalions

Mr. DuncanSmith: To ask the Secretary of State for Defence which Army infantry battalions are currently deployed in *(a)* Kosovo, *(b)* Bosnia, *(c)* Northern Ireland and *(d)* Germany. [88125]

Mr. Doug Henderson *[holding answer 24 June 1999]:* The information requested is as follows:

Location/unit	*Notes*
Kosovo	
The 1st Battalion The Irish Guards	Battalion Headquarters, 2 companies, fire support company
The 1st Battalion The Royal Highland Fusiliers	1 company
The 1st Battalion The Green Howards	1 company
The 1st Battalion The Parachute Regiment	Includes a company from The 3rd Battalion The Parachute Regiment
The 1st Battalion The Royal Gurkha Regiment	—
The 1st Battalion The Royal Irish Regiment	Includes a company from the 1st Battalion The Royal Gloucestershire, Berkshire and Wiltshire Regiment
Bosnia	
The 1st Battalion The Royal Highland Fusiliers	Battalion Headquarters, 2 companies, fire support company
The 2nd Battalion The Parachute Regiment	Includes a company of Gurkhas
Northern Ireland	
The 1st Battalion The Green Howards	Includes a company from the 1st Battalion The Black Watch
The 1st Battalion The Royal Scots	Includes a company from The 1st Battalion The Duke of Wellington's Regiment
The 1st Battalion The Grenadier Guards	—
The 1st Battalion The Cheshire Regiment	—
The Royal Dragoon Guards	Armour in the infantry role
32 Regiment Royal Artillery	Artillery in the infantry role
The 1st Battalion The Royal Welch Fusiliers	Resident
The 1st Battalion The Scots Guards	Resident
The 1st Battalion The Royal Anglian Regiment	Resident
The 1st Battalion The Queen's Lancashire Regiment	Resident
The 1st Battalion The Royal Green Jackets	Resident
The 1st Battalion The King's Regiment	—

In addition, there are six Home Service battalions of the Royal Irish Regiment, comprising both full-time and part-time members, which are wholly committed to Northern Ireland.

Units are not 'deployed' to Germany. The following infantry battalions are, however, currently in Germany:

Location/unit	*Notes*
Germany	
2nd Battalion The Royal Regiment of Fusiliers	—
2nd Battalion The Royal Green Jackets	—
1st Battalion The Royal Regiment of Wales	—

Kosovo

Mr. Bercow: To ask the Secretary of State for Defence what assessment he has made of the command structure of the KLA; what measures he is taking to ensure co-operation with KLA elements which are not part of the central structure; and if he will make a statement. [87301]

Mr. George Robertson: The KLA's command structure is presently based on military lines. It consists of the KLA Interim Government of Kosovo (IGOK) below which is the KLA's General Staff. The staff commands and controls the seven Operational Zones (OZ) found throughout the province. The OZs in turn command a number of KLA brigades and independent battalions.

It is for General Jackson and his military commanders on the ground to determine how to deal with individual groups with whom they may have contact. They will be dealt with on an impartial basis but will be expected to act in accordance with the undertaking on demilitarisation given by the KLA to KFOR on 21 June.

Mr. Duncan Smith: To ask the Secretary of State for Defence which units now not deployed in Kosovo are warned to deploy to Kosovo; and where are these units now deployed. [88126]

Mr. George Robertson *[holding answer 24 June 1999]:* I am withholding this information on the future movement of units in accordance with exemption 1 of the Code of Practice on Access to Government Information relating to Defence, Security and International Relations.

Submarine Spent Nuclear Fuel Cores

Mr. Corbyn: To ask the Secretary of State for Defence how many submarine spent nuclear fuel cores are currently held at *(a)* HMS Vulcan, *(b)* Rosyth, *(c)* Devonport and *(d)* Sellafield. [87707]

Mr. Spellar *[holding answer 22 June 1999]:* The number of submarine spent fuel cores currently held is as follows:

(a) Vulcan Naval Reactor Test Establishment: 2 fuel cores

(b) Rosyth Dockyard: 1 fuel cores

(c) Devonport Dockyard: 1½ fuel cores

(d) BNFL Sellafield: 46½ fuel cores.

Mr. Corbyn: To ask the Secretary of State for Defence on what day the new Used Core Transport Package for transporting submarine spent fuel cores entered into service. [87704]

Mr. Spellar *[holding answer 22 June 1999]:* The first operational use of the new Used Fuel Flasks (UFFs) was Thursday 10 June 1999.

Nuclear Transfers (USA)

Mr. Alan Simpson: To ask the Secretary of State for Defence how many flights of special nuclear material from RAF Brize Norton to the United States and vice versa have occurred in each of the last five years. [88142]

Mr. Doug Henderson: The number of flights carrying special nuclear material each year between UK and US depends on programme requirements which are confidential between the two governments. I am therefore withholding the information requested under exemption 1 of the Code of Practice on Access to Government Information relating to defence, security and international relations.

Sports Grounds

Mr. Nigel Jones: To ask the Secretary of State for Defence how many sports grounds there are on MOD sites. [88494]

Mr. Spellar: The information sought is not held centrally and will have to be collected from various sources. I will write to the hon. Member as soon as the information is available and a copy of my letter will be placed in the Library of the House.

Veterans Advice Cell

Mr. Ottaway: To ask the Secretary of State for Defence what is the planned expenditure on the Veterans Advice Cell for each of the next five years. [88703]

Mr. Doug Henderson: Planned expenditure for the Ministry of Defence Veteran's Advice Unit is currently set at £172,000 per year until 2002–03, which is the duration of our current formal forward spending plans. It is anticipated that provision will continue at the same level in future years. This amount covers the employment costs for the three Warrant Officers operating the Unit and associated costs, including telecommunications, apportioned clerical support, training and publicity material.

Environmental Programmes

Mr. Sheerman: To ask the Secretary of State for Defence if he will reward those sectors of the armed forces that achieve higher levels of performance in environmental programmes, with particular reference to recycling. [88441]

Mr. Spellar: All sectors of the armed forces are required to comply with the Secretary of State's environmental policy statement and the environmental policies and practices set out in JSP 418, the Ministry of Defence's environmental manual. JSP 418 encourages all personnel to identify opportunities for recycling. The Secretary of State's environmental policy statement is incorporated into JSP 418, a copy of which is in the Library of the House.

Mr. Sheerman: To ask the Secretary of State for Defence what steps he is taking to encourage all sections of the armed forces and their bases to participate fully in environmental joint programmes, with particular reference to re-cycling. [88442]

Mr. Spellar: All sections of the armed forces comply with the guidance provided in the MOD's environment manual, JSP 418, which provides detailed policy on waste reduction initiatives based on recycling.

RAF Pilots

Mr. Key: To ask the Secretary of State for Defence how many RAF pilots are serving in *(a)* the Balkan theatre, *(b)* Turkey, *(c)* Kuwait, *(d)* Saudi Arabia, *(e)* Cyprus, *(f)* the Falkland Islands, *(g)* Northern Ireland and *(h)* elsewhere outside the United Kingdom. [88369]

Mr. Doug Henderson: The following table shows the number of trained RAF pilots serving in various theatres of operations as at 1 June 1999.

Theatre of operations	*Number of RAF pilots*
Balkans[1]	108
Turkey	22
Kuwait	16
Saudi Arabia	5
Cyprus	10
Falkland Islands	23
Northern Ireland	67
Other overseas	195

[1] Balkans theatre includes personnel serving in: Italy, Corsica, Bosnia, Croatia and Macedonia

Mr. Key: To ask the Secretary of State for Defence what is the cost of training a pilot in the RAF from entry into service to active flying service for *(a)* fast jets, *(b)* transport and other aircraft and *(c)* helicopters. [88371]

Mr. Doug Henderson: I will write to the hon. Member and a copy of my letter will be placed in the Library of the House.

Mr. Key: To ask the Secretary of State for Defence what discussions he has had with representatives of commercial airlines since May 1997 on the recruitment of former service men as pilots; and if he will make a statement. [88372]

Mr. George Robertson: I wrote to representatives of seven major UK commercial airlines on 5 April of this year to develop a dialogue on the recruitment of former Royal Air Force personnel as pilots. No Ministerial discussions have taken place.

Mr. Key: To ask the Secretary of State for Defence what was the total number of *(a)* fast jet pilots, *(b)* transport and support aircraft pilots and *(c)* helicopter pilots on active service in each of the past 10 years; and if he will make a statement. [88370]

Mr. Doug Henderson: The information requested is set out by Service in the table:

	Fast jet		Multi engined	Rotary wing		
Date	RN[1]	RAF	RAF	RN	Army[3]	RAF
1 April 1999	52	874	837	512	369	518
1 April 1998	49	943	866	536	370	507
1 April 1997	57	991	898	564	344	506
1 April 1996	66	1,062	1,002	594	323	524
1 April 1995	67	1,090	1,050	624	311	530
1 April 1994	67	1,124	1,119	612	286	532
1 April 1993	[2]—	1,371	1,046	[2]—	282	539
1 April 1992	[2]—	1,397	1,081	[2]—	258	552
1 April 1991	[2]—	1,394	1,122	[2]—	218	542
1 April 1990	[2]—	1,389	1,200	[2]—	215	544

[1] Figure excludes Royal Marines for which no historical data held. However, as at 1 June 1999 there were an additional 32 Royal Marine officer and 20 Royal Marine other ranks helicopter pilots on the trained strength.

[2] RN figures by specialisation, prior to 1 April 1994, could only be provided at disproportionate cost.

[3] The figures for Army Helicopter pilots exclude reservists mobilised for operations in Bosnia as well as: member of Royal Irish Regiment (Home Service), Gurkha's Locally Employed Personnel and individuals engaged on Full Time Reserve Service.

Sexual Discrimination

Mr. Key: To ask the Secretary of State for Defence what *(a)* estimates he has made of the number of cases involved and *(b)* provision his Department has made in respect of future compensation claims for sexual discrimination. [88374]

Mr. Spellar: It is inherently difficult to forecast the number of applications likely to be made to Employment Tribunals in which sexual discrimination is alleged. However, based on the number and value of cases settled in the previous two years and cases outstanding my Department could expect about 10–12 applications at a total value of some £250,000 will be settled this financial year from Service or former Service personnel.

Similar information relating to civilian employees of the Department is not held centrally.

Army Families Federation

Mr. Key: To ask the Secretary of State for Defence when he last met representatives of the Army Families Federation; and what was discussed. [88362]

Mr. George Robertson: I met representatives of the Army Families Federation at their annual conference on 23 September 1998. In my speech and in the question and answer session I discussed the Policy for People initiative announced as part of the Strategic Defence Review. This included the Service Families Task Force, education, health and welfare. In addition, last week I met AFF representatives and Army families in Germany to hear their current concerns at first hand.

Prevention of Terrorism (Temporary Provisions) Act

Mr. Lidington: To ask the Secretary of State for Defence on what date his Department was first informed that Parts IVA and IVB of the Prevention of Terrorism (Temporary Provisions) Act 1989 were no longer in force. [88795]

Mr. Doug Henderson: My Department, together with others, was informed earlier this month that there was some doubt whether these provisions had been effectively renewed by the 1998 and 1999 Continuance Orders, and that advice was being sought on this point.

Strategic Stock

Ms McCafferty: To ask the Secretary of State for Defence what percentage of the United Kingdom's strategic stock of *(a)* ordnance and *(b)* fuel was used during NATO operations in Kosovo; what assessment he has made of the impact on the United Kingdom's defence capability; and what estimate he has made of (i) the length of time required and (ii) the cost to replace the stock used. [87196]

Mr. George Robertson: I am withholding information on the percentage of the United Kingdom's ordnance stock used during the NATO operation in Kosovo, and the length of time taken to replace ordnance stocks, under exemption 1a of the Code of Practice on Access to Government Information (information where disclosure would harm national security on defence). The UK does not hold a strategic stock of fuel. Stocks of fuel are continually replenished in order to maintain them at appropriate levels.

We have not yet conducted a full analysis of the impact of operations in Kosovo. While timely and measured steps are being taken to replace ordnance, it is too early to make a meaningful estimate of the cost involved.

St. Malo Accord

Mr. Bercow: To ask the Secretary of State for Defence if he will list the instances of military co-operation which *(a)* have arisen and *(b)* are planned consequential to the St. Malo Accord. [85218]

Mr. George Robertson: The Letter of Intent on co-operation in crisis management and operations, signed between the UK and France at St. Malo in December 1998, has moved work forward on planning for non-combatant evacuation operations; joint exercises; improved links between operational headquarters; co-ordination of naval deployments; information exchanges on peacekeeping activities; Year 2000 computer problems; logistics; and arrangements for dealing with the media. We will continue to develop our co-operation in these areas.

ATTORNEY-GENERAL

Crown Prosecution Service

Mr. Lepper: To ask the Attorney-General if he will announce the Government's final response to the recommendations contained in Sir Ian Glidewell's report following his review of the Crown Prosecution Service; and if he will make a statement. [88910]

The Attorney-General: Shortly after coming into office, I set up a review of the Crown Prosecution Service. Its terms of reference, 12 June 1997, *Official Report*, columns *533–34*, went to the fundamentals of the Service.

An examination of the organisation and structure of the CPS was required along with consideration of what changes might be necessary to provide for more effective and efficient prosecution of crime.

The terms of reference reflected the concerns expressed in the Labour Party paper, "The Case for the Prosecution". That paper was prepared while in opposition after considering the disquiet expressed by a wide range of individuals about the criminal justice system.

As is well known by now, Sir Iain Glidewell conducted the review, assisted by Sir Geoffrey Dear and Robert McFarland.

I published Sir Iain's Report on 1 June 1998, *Official Report*, columns 42–52. The report was widely and warmly received. It acknowledged the achievements of the CPS including, most importantly, the establishment of an independent, national, prosecution service. However, it also confirmed many of the concerns that had been expressed about the CPS. It made 75 recommendations.

I was able to accept immediately the broad thrust of the Report which sets an agenda for re-ordering the priorities of the CPS to focus on the core business of prosecuting. A key recommendation concerned the appointment of a Chief Executive. That was a specific recommendation I was able to accept immediately: Mark Addison was appointed and took up the post within a matter of days. David Calvert-Smith QC was appointed DPP in November 1998. The Director and Chief Executive have together given a strong lead, driving forward the reform of the CPS.

While some of the recommendations affect the internal operation of the CPS, other recommendations are relevant to a number of criminal justice agencies, including the Lord Chancellor's Department, the Home Office and the police. These inter-agency recommendations have been taken forward by the relevant agencies working together in co-operation.

On 30 November 1998 I was able to announce an interim Government response to the Glidewell Report, 30 November 1998, *Official Report*, columns *67–70*. That interim response identified what had by then been achieved and what remained under consideration.

Today, I am able to provide the final Government response to Sir Iain Glidewell's Report. I have placed in the Library of the House a chart which identifies whether the Government accepts or otherwise each individual recommendation. Where necessary, the chart shows how recommendations are planned to be taken forward with a timetable for action. Sixty-four recommendations are shown as accepted, accepted in part or in principle, or implemented. Only two of the recommendations are rejected; these are identified below. The remaining few recommendations are shown as noted or considered.
I shall focus on some of the key aspects.

On 19 April 1999 I announced a new national framework for Criminal Justice Units building on a key recommendation in the Glidewell Report, 19 April 1999, *Official Report*, columns *397–98*. The Criminal Justice Units will provide joint police/CPS administration, having sole conduct of fast-track cases and responsibility for the prosecution of cases in the magistrates' courts. Chief Crown Prosecutors working together with Chief Constables must produce by the end of November this year joint outline plans for implementing the Criminal Justice Units. Progress will be monitored.

I can now announce that CPS Trial Units will also be established, again building on a key recommendation in the Glidewell report. The Trial Units will be responsible for all prosecutions in the Crown Court. They will provide a means by which CPS lawyers can focus on the most serious cases and a structural mechanism through which CPS Higher Court Advocates will be able to exercise their rights of audience to the benefit of the justice system.

The creation of Criminal Justice Units and Trial Units will go a long way to defining more clearly the relationship between the key agencies of the police, CPS and courts, as the Glidewell Report recommended. One crucial area of local co-operation concerns the listing of cases at court. The Glidewell Report made recommendations regarding listing practices at both Magistrates' Courts and Crown Court centres. These recommendations have been accepted. Improved case preparation by the CPS and inter-agency moves towards better case management should lead to more effective listing practices which will ensure that cases are prepared and listed for trial more quickly. Work is underway on the preparation of national protocols to guide local arrangements in this respect.

Over a period, as a result of fast-tracking and effective listing, the CPS will be able to deploy more lawyers on the more serious cases and thereby achieve the shift in the centre of gravity recommended by the Glidewell Report.

After careful consideration, two of the Glidewell Report recommendations have been rejected, though the concerns that prompted the recommendations are best addressed in other ways.

First, the Glidewell Report recommended that the CPS install a new costing system. The CPS commissioned an independent consultant to consider this complex area in close detail. As a result, it has been decided that the existing activity based costing system should be retained but improved to reflect the objectives identified by the Glidewell Report.

Secondly, the Glidewell Report recommended that as soon as practicable the CPS should take over from the police responsibility for witness warning. The possibility of transferring this responsibility has been considered carefully but is not thought to be a practical option, or a proper reflection of the respective constitutional priorities of the CPS and the police. Though the recommendation is rejected, the new framework for joint CPS/police administration will enable the police and CPS to work together to provide a better service to victims and witnesses by building on established arrangements.

Related to this second recommendation is the Glidewell recommendation that responsibility for giving information and explanations to complainants/victims should transfer from the police to the CPS as soon as resources permit. The Government are committed to improving the service that the criminal justice system as a whole provides to victims and the Glidewell recommendation is accepted in principle. The issues raised with implementing this recommendation will be taken forward on a national basis as part of on-going work on the treatment of victims and witnesses. This will involve a scoping/options study.

and a detailed analysis of the resource implications. In the meantime, the CPS and criminal justice agencies will consider what immediate action can be taken to improve the current level of service which victims receive.

The reforms brought about by the Glidewell Report must be seen alongside the re-structuring of CPS Areas. When this Government came into office, I announced our intention that the CPS national structure should move from the existing 13 geographical Areas to 42 geographical Areas coterminous with police areas (save for London in which the Metropolitan Police Service and the City of London Constabulary should be counted as one CPS Area). This initiative is aimed at enhancing local effectiveness, promoting local inter-agency co-operation and local accountability. It is an initiative which the Glidewell Report endorsed believing it to provide the basis for a genuinely new start for the CPS.

In April, the 42 CPS Area structure was implemented. The selection process for the new Chief Crown Prosecutors (CCPs) took into account Sir Iain Glidewell's vision of their role and responsibility as individuals of stature whose competence and integrity would be crucial to the success of the move to a decentralised, locally accountable, national service. The Glidewell Report also recommended that Area Business Managers (ABMs) be appointed to take responsibility for Area management and administration, thereby enabling the CCPs to focus on the business of prosecuting. The CCPs and ABMs are now in post helping to implement locally the reform of the CPS.

The move to 42 CPS Areas is an important part of what I intend to be a significant cultural change for the CPS, one which will greatly enhance the public service provided by its staff. There are encouraging signs that the cultural change is well underway with the CPS becoming a more flexible and locally accountable organisation, responsive to local needs and circumstances.

In turn, this means a changing role and a changing culture for CPS national headquarters. It will provide the national framework for prosecuting, manage the resources available to the Service as a whole and facilitate the joined-up approach to improving the criminal justice system to which the Government are committed. Its principal role will be to provide support to the Areas, enabling them to deliver a prosecution service locally. The signs are that this new emphasis is already being noticed and welcomed by the Areas. As a public service responsible for spending £0.3 billion of public funds each year and accountable to Parliament there must be accounting and monitoring systems. The DPP and Chief Executive are continuing to work together to ensure that the central demands made of Areas are reviewed and that bureaucracy is minimised.

The Glidewell Report acknowledged that there would continue to be a need for a structure separate to the local Areas responsible for handling the most serious and sensitive of cases which require resources not normally available in CPS Areas. The Report recommended two separate but parallel management structures to handle this category of casework. First, a central pool and secondly a national network of CPS staff with a division of the casework between the two and each reporting into CPS headquarters. These recommendations have been accepted in principle but with the CPS taking forward a proposal that there should be a single management structure for this category of casework embracing both the central pool and the national network of CPS staff reporting into CPS headquarters. This will provide a cohesive framework for prosecuting this category of cases with a clear line of responsibility and answerability.

The move to 42 CPS Areas coterminous with police force areas is a significant opportunity for the CPS and other criminal justice agencies to work together locally to deliver the Government's objectives for the criminal justice system as a whole, namely, to reduce crime and to deliver justice fairly and effectively. The structure of local criminal justice liaison bodies is being revised, as the Glidewell Report recommended, to take account of the 42 Area structure. A joint measure and targets on the timeliness in dealing with cases through the prosecution process are being established to complement existing targets for improving the time taken to prosecute persistent young offenders. Joint targets reinforce the message that agencies must work together to make the whole system more effective, not just to improve individual parts sometimes to the detriment of other agencies.

Accepting another of the recommendations, work is progressing to identify common casework statistics so that meaningful comparisons can be made agency-by-agency, facilitating a better understanding of how the system is working.

I announced in November that the Glidewell Report recommendations concerning the CPS Inspectorate were accepted with some modifications. I can now announce that the Government propose to put the Inspectorate on an independent statutory basis as soon as the legislative timetable permits. With this in mind, a new Chief Inspector, Stephen Wooler, took up his post in March of this year. He is driving forward the work necessary to the reform of the Inspectorate which will enhance its independence, expand its role and responsibilities and thereby provide the scrutiny of the Service which will support public confidence in the CPS.

Two other key initiatives have inter-acted with the Glidewell report. First the Narey reforms for reducing delay in the criminal justice system, and, secondly, the publication of the criminal justice system's Strategic Plan and Business Plan published as a response to the two strategic objectives set by the Government. Additionally, the Glidewell reforms of the CPS must take into account the Government's response to the recommendations contained in Sir William Macpherson's Report of his inquiry into the murder of Stephen Lawrence. This is not the moment to focus on each of these matters. Suffice it to say that they, along with the Glidewell reforms and the move to 42 CPS Areas, represent a key theme of this administration, namely the modernisation of public service by developing a cohesive and coherent approach to policy with agencies and Departments working together for the benefit of the community as a whole. This approach will, I believe, deliver a modern criminal justice system worthy of that title.

The cultural, structural and organisational changes that are happening to the CPS must be carefully managed. A lesson of the past is that a rush to change is a recipe for error. Whilst I intend proper progress will be made I also

intend the changes to be managed with care, ensuring that we get it right for society as a whole while being sensitive to CPS staff.

I am pleased to take this opportunity of commending all those who have worked together so hard to take forward the recommendations. I include, of course, not only members of the CPS but those of other agencies and Government Departments within the criminal justice system. The good-will and determination to work together to make for a better system has enabled brisk progress to be made on what is a substantial initiative within the criminal justice system.

As superintending Minister for the CPS I pay particular tribute to all members of CPS staff who have faced a period of uncertainty with professional resolve. The reforms will, I believe, enhance their individual roles, increase their job satisfaction, and lead to improved morale.

I believe that the Glidewell reforms have laid a sure foundation for a better Crown Prosecution Service and a better criminal justice system working for the benefit of the community. The CPS has embarked on its new start; by taking forward Sir Iain Glidewell's recommendations it is well on the road to fulfilling what Sir Iain described as its potential to become a lively, successful and esteemed part of the criminal justice system.

Prevention of Terrorism (Temporary Provisions) Act

Mr. Lidington: To ask the Attorney-General on what date his Department was first informed that Parts IVA and IVB of the Prevention of Terrorism (Temporary Provisions) Act 1989 were no longer in force. [88798]

The Attorney-General: As is now known, a lawyer in my office read an article in Criminal Law Week suggesting that the provisions were not in force. This was drawn to the attention of the Home Office and following a request for advice I reached the view on 17 June that Parts IVA and IVB of the Prevention of Terrorism (Temporary Provisions) Act 1989 were no longer in force.

NORTHERN IRELAND

RUC (Portadown)

Mr. Corbyn: To ask the Secretary of State for Northern Ireland what is the distance between Portadown RUC station and the location of the attack on 27 April 1997 on the late Robert Hamill. [85502]

Mr. Ingram: The RUC have advised that the distance a person would have to travel between these locations is around 250m.

Mr. Corbyn: To ask the Secretary of State for Northern Ireland how many Royal Ulster Constabulary officers were on duty within Portadown RUC Sub-Division between 11 pm on Saturday 26 April 1997 and 4 am on Sunday 27 April 1997. [85501]

Mr. Ingram: The RUC have advised that there were 19 police officers on duty in Portadown Sub-Division between 11.00 pm on Saturday 26 April 1997 and 4.00 am on Sunday 27 April 1997.

Location of Victims' Remains

Mr. Moss: To ask the Secretary of State for Northern Ireland if she will make a statement on her review of the operations to locate the disappeared in Northern Ireland. [88335]

Mr. Ingram: The Agreement between the United Kingdom and Irish Governments signed on 27 April includes a formal reporting mechanism. The Agreement requires the Independent Commission for the Location of Victims' Remains to report to both Governments on its activities no later than one year after its establishment and annually thereafter. Through that formal mechanism, the two Governments will be in a position to review the operation of the Commission's activities. At this time, developments at the search sites are being followed with close interest and we continue to hope that the remains of the victims will be located.

Young Offenders

Mr. MacKay: To ask the Secretary of State for Northern Ireland what plans she has to replace the open provision juvenile justice Provisions by a single closed provision at Lisnevin Centre; when she expects to announce her decision on the provision; and what assessment she has made of the option of retaining open provision facilities for children in the Province. [88467]

Mr. Ingram: Following recent changes in the law relating to juvenile offenders, only the most serious or persistent offenders can be placed in custody. Most boys in custody are held in the only secure accommodation available—this is at Lisnevin. There has been a significant fall in the numbers in custody due to this legislation and also the introduction of a new determinate sentence and there is considerable spare capacity in the system. A review of the need for custodial places—both open and secure—is being carried out. The outcome of the review will be published in due course.

Prevention of Terrorism (Temporary Provisions) Act

Mr. Lidington: To ask the Secretary of State for Northern Ireland on what date her Department was first informed that Parts IVA and IVB of the Prevention of Terrorism (Temporary Provisions) Act 1989 were no longer in force. [88800]

Mr. Ingram: The Northern Ireland Office was first so informed on 21 June 1999.

PRESIDENT OF THE COUNCIL

Millennium Compliance

42. **Ms Dari Taylor:** To ask the President of the Council what steps the Government are taking to inform the public on the principal issues relating to the millennium date change. [87242]

Mrs. Beckett: As part of the Government's continuing public information programme, "The Millennium Bug—Facts Not Fiction" booklet has been produced and widely distributed earlier this month. The quarterly returns of Government Departments, agencies and key parts of the wider public sector are available too on the Internet, as is

the Government-commissioned tracking research of public perceptions of the Bug. Preparations across the national infrastructure are being brought together and disclosed through the National Infrastructure Forum.

Privy Council Meetings

44. **Mr. Gordon Prentice:** To ask the President of the Council if she will make a statement on arrangements for convening meetings of the Privy Council. [87244]

Mrs. Beckett: The Queen normally holds a meeting of the Council every month except January, August and September. Additional Councils are convened if urgent business requires it.

HOUSE OF COMMONS

EU Question Time

43. **Mr. Bercow:** To ask the President of the Council what plans she has to institute a separate ministerial question period for European Union matters. [87243]

Mr. Tipping: European Union matters feature in questions to virtually every Department and so are answered on the Floor of the House every sitting day. I do not think it would be either practical or desirable to confine such questions to a single, separate period or to create an additional period just for such questions.

Prevention of Terrorism (Temporary Provisions) Act

Mr. Lidington: To ask the President of the Council on what date her Department was first informed that Parts IVA and IVB of the Prevention of Terrorism (Temporary Provisions) Act 1989 were no longer in force. [88799]

Mrs. Beckett: On 18 June 1999.

FOREIGN AND COMMONWEALTH AFFAIRS

Russian Military

Mr. Cohen: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations have been made to the Russian Federation Government concerning the level of civilian control over its military; and if he will make a statement. [88330]

Ms Quin: The Prime Minister discussed the rapid deployment of Russian paratroops to Pristina with Russian Prime Minister Stepashin at the G8 Cologne Summit on 18 June. My right hon. Friend the Foreign Secretary raised this incident with Foreign Minister Ivanov on 13 June. The Russians agreed that trust is important for closer co-operation between our forces on the ground in Kosovo. We have also supported training courses for the Russian military on civilian and democratic management of the armed forces.

Prevention of Terrorism (Temporary Provisions) Act

Mr. Lidington: To ask the Secretary of State for Foreign and Commonwealth Affairs on what date his Department was first informed that Parts IVA and IVB of the Prevention of Terrorism (Temporary Provisions) Act 1989 were no longer in force. [88794]

Mr. Tony Lloyd: The Home Office informed the Foreign and Commonwealth Office on 21 June 1999.

Ethiopia–Eritrea (Conflict)

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what reports he has received concerning casualties from the conflict in Ethiopia and Eritrea. [88359]

Mr. Tony Lloyd: We have seen differing reports of casualties throughout the conflict between Ethiopia and Eritrea. We have no reliable figures, but estimate that total casualties are high on both sides: approximately 40,000 Ethiopian and 20,000 Eritrean.

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Governments of *(a)* Ethiopia and *(b)* Eritrea, concerning the conflict between the two countries. [88360]

Mr. Tony Lloyd: We have always supported UN and OAU efforts to resolve the conflict. I discussed the issues with the OAU Secretary General on 28 May and with the UN Secretary General on 25 June. I have also discussed the war with the Ethiopian Foreign Minister and Deputy Foreign Minister and the Ambassadors of Ethiopia and Eritrea in recent months. Our message has been clear: both sides must stop fighting immediately and implement the OAU Framework peace proposals.

Democratic Republic of the Congo

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what reports he has received concerning the meeting of the heads of seven African states in Pretoria on 17 June to discuss the civil war in the Democratic Republic of the Congo. [88358]

Mr. Tony Lloyd: Reports from the region reinforce our view that the meeting was a positive step in preparation for a regional summit scheduled to take place in Lusaka. If real progress is to be made there all parties will need to show the political will and commitment to achieve a peaceful, negotiated settlement to the conflict in the Democratic Republic of the Congo.

PRIME MINISTER

Public Interest Immunity Certificates

Mr. Gerald Howarth: To ask the Prime Minister how many public interest immunity certificates have been issued by Ministers or their officials since 1 May 1997; and if he will list the occasions on which such certificates have been issued. [85359]

The Prime Minister: My right hon. and learned Friend the Attorney-General's statement on 11 July 1997, *Official Report*, columns *616–17*, made clear that, in accordance with the approach adopted by the previous Government, public interest immunity will not be asserted by the Government unless the relevant Minister believes

that disclosure of a document or piece of information will cause real damage to the public interest and that this test would be applied rigorously.

Where public interest immunity applies, the Government's policy is to make voluntary disclosure if it considers that the interest of justice outweighs the public interest in withholding the document or information in question. In all cases a claim for public interest immunity is subject to the power of the court or other tribunal to order disclosure.

Prior to 1 May 1997, no centrally maintained record for Government public interest immunity certificates was kept. However, on the best information available from a trawl of the main relevant Departments, I can disclose that PII certificates have been issued and other parties notified on the following number of occasions:

Year	*Home Departments* [1]	*NIO*	*FCO*
1995	17	8	1
1996	10	0	2
1997	15	5	1
1998	14	[2]20	1
1999 (to date)	4	8	1

[1] Prior to 1997, DTI, MOD and HO only are included; after 1997, all relevant Departments

[2] 13 of the 20 cases in 1998 relate to a single occasion involving the movement of 13 prisoners with HMP Belfast

Honours List

Mr. Gordon Prentice: To ask the Prime Minister how many nominations for honours in respect of the most recent Honours List were received broken down by each English county; and what percentage were successful. [87352]

The Prime Minister: Each year the Nominations Unit receive in excess of 7,000 nominations direct from members of the public. In addition, Government Departments will have received several thousand nominations from national organisations and members of the public. Information on nominations is not held in a form which relates them to particular counties or particular Honours Lists. Nor is it normal practice to release information about nominations.

However, my hon. Friend may wish to refer to the 1999 Birthday Honours List within the features section in the News Centre on the No.10 Downing Street website (http://www.number-10.gov.uk/index.html) which contains information about those who have received honours.

Kosovo

Mr. Bercow: To ask the Prime Minister at what level of command the decision was made to supply Russian troops occupying the airport at Pristina; and what items were supplied in what quantities. [88465]

The Prime Minister: Following receipt of a request from the commander of the Russian forces in Kosovo, Commander KFOR, Lieutenant General Mike Jackson, took the decision to provide the supplies that were needed. The priority was for bottled water, and 15,000 litres were supplied on 16 June. In addition, a small number of maps of the local area were provided. Offers of fuel and medication were turned down by the Russians.

EU Charter of Rights

Mr. Bercow: To ask the Prime Minister if he will list his priorities for the inclusion of topics in an EU charter of rights. [88608]

The Prime Minister: As my right hon. Friend the Foreign Secretary told the House on 25 May 1999, *Official Report*, column *118*, we welcome this initiative. We believe that the Charter should make the fundamental rights which already exist and are applicable at Union level more visible to the Union's citizens. The incoming Finnish Presidency has been given responsibility for taking this work forward and we look forward to working with them.

Wal-Mart

Mr. Gummer: To ask the Prime Minister what communications *(a)* by telephone or *(b)* directly he received from the White House relating to his meeting with the Chief Executive Officer of Wal-Mart. [88700]

The Prime Minister: None.

Mr. Gummer: To ask the Prime Minister if (1) during his meeting this year with the Chief Executive Officer of Wal-Mart, there was discussion of planning matters; [88697]

(2) what other Ministers were present at his meeting with the Chief Executive Officer of Wal-Mart; [88698]

(3) for what reason the Minister for Trade was not present at his meeting with the Chief Executive Officer of Wal-Mart; [88699]

(4) what discussions he has had about the planning issue raised during his meeting with the Chief Executive Officer of Wal-Mart with the Secretary of State for the Environment, Transport and the Regions. [88707]

The Prime Minister: I refer the right hon. Member to the answer I gave him on 6 May 1999, *Official Report*, columns *451–52*.

Mr. Yeo: To ask the Prime Minister (1) how many meetings he has had with representatives of the American Government where the proposed merger of Wal-Mart with Asda was discussed; [88508]

(2) how many meetings his staff have had with representatives of the American Government where the proposed merger of Wal-Mart with Asda was discussed; [88509]

(3) how many meetings *(a)* he and *(b)* his staff have had with representatives of Wal-Mart in connection with their proposed merger with Asda. [88803]

The Prime Minister: None.

Prevention of Terrorism (Temporary Provisions) Act

Mr. Lidington: To ask the Prime Minister on what date *(a)* he and *(b)* his Office were first informed that

Parts IV A and IV B of the Prevention of Terrorism (Temporary Provisions) Act 1989 were no longer in force. [88731]

The Prime Minister: My office was informed on 18 June. I received an updated briefing note on Monday on my return from the Cologne European Council.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Rural Bus Services

Mr. Rammell: To ask the Secretary of State for the Environment, Transport and the Regions if he will place in the Library figures for each relevant local authority in England of the number of *(a)* new bus services and *(b)* enhancements to existing bus services in rural areas which have resulted from the use of rural bus subsidy grant; and if he will give examples for each authority of such new and enhanced services. [82636]

Ms Glenda Jackson: The information provided by each local authority has been placed in the Library. It shows that the first year of this new grant has been a success with a total in England alone of 658 new services and 842 enhanced services as a result of the grant's introduction.

Mr. Peter Bradley: To ask the Secretary of State for the Environment, Transport and the Regions what subsidies have been provided to *(a)* Shropshire County Council and *(b)* Telford & Wrekin Council to support rural bus services in (i) 1997–98, (ii) 1998–99 and (iii) 1999–2000. [88148]

Ms Glenda Jackson: 1998–99 was the first year of the new Rural Bus Subsidy Grant. In that year Shropshire County Council and Telford & Wrekin Council were allocated the sums of £630,354 and £76,048 respectively, for the support of rural buses. The same amounts have been allocated for 1999–2000.

Multi-modal Transport Study (London and South-West Corridor)

Jane Griffiths: To ask the Secretary of State for the Environment, Transport and the Regions what account the multi-modal study of the London to South West Corridor announced in the Trunk Roads Review will take of the Railtrack report on the feasibility of reducing the peripherality of the western extremities of the rail network. [86197]

Ms Glenda Jackson: A key objective of the London to South West and South Wales multi-modal study is to examine the scope for reducing congestion by better management and modal shift. The study will, therefore, encompass the main rail routes, and assess the potential for encouraging the transfer of passenger and freight trips from road to rail. The Railtrack report has already indicated that the railway to Penzance can be upgraded to provide higher speeds with corresponding reductions in journey times to London, reducing the peripherality of the far south-west. The report also considers enhancement of the freight gauge and the provision of intermodal terminals. We will ensure that its findings are taken into account in the multi-modal study.

Coastguard (Donaldson Report)

Mrs. Curtis-Thomas: To ask the Secretary of State for the Environment, Transport and the Regions what the terms of reference are for Lord Donaldson's report on the future of coastguard stations; when Lord Donaldson was asked to advise his Department; when the report will be completed; and if it will be made available to the public. [87194]

Ms Glenda Jackson: Lord Donaldson's Terms of Reference were set by agreement with the Trade Unions and management of the Maritime and Coastguard Agency.

Lord Donaldson accepted the Terms of Reference in early May and he will reply to the Deputy Prime Minister as soon as possible.

Local Authority Publicity

Mr. Pond: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to amend legislation regarding the code of practice on local authority publicity so that local authorities must not only have regard to this code but actively enforce it. [88075]

Mr. Meale: We have no plans to amend the legislation on the Code of Recommended Practice on Local Authority Publicity. In the paper "Local Leadership, Local Choice", laid before the House on 24 March 1999 (Cm 4298), we have made proposals, including a draft Bill, for a new framework to deliver high standards in all aspects of conduct throughout local government.

Highways Agency Estate

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions how many of the surplus properties held by the Highways Agency are held for road schemes that have been cancelled. [88088]

Mrs. Liddell: The Highways Agency currently holds 563 surplus properties on cancelled schemes. The Agency sells all its surplus property through a phased disposals programme which is designed to ensure the greatest return to the public purse, while not flooding any local property market. Existing tenancies are honoured and in some cases it will be necessary to complete statutory procedures, such as the making of revocation orders, before property can be sold.

Road Schemes

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions which road schemes are *(a)* currently in progress and *(b)* planned for the next two years on motorways and trunk roads. [88112]

Mrs. Liddell: The major new schemes currently under construction are listed. Those we plan to start in the next two financial years are listed. In addition we plan this year to spend £765 million on maintenance and £187 million on making better use of the existing motorway and trunk road network.

Major new road schemes currently under construction:

A12 Hackney—M11 Contract 1

A12 Hackney—M11 Contract 3

A12 Hackney—M11 Contract 4

A564 Derby Southern Bypass Contract B

A13 West of Heathway—Thames Avenue

London Primary Route Signing South West Contract

Manchester Outer Ring Road Re-signing Contract 2

London Primary Route Signing East Contract

M5 J18–19 (Bridge Strengthening)

M60 Denton—Middleton Contract 1

M60 Denton—Middleton Contract 3

A30 Honiton to Exeter Imp (Part of A30/A35 Exeter—Bere Regis). This scheme is being built under a Design Build Finance and Operate contract (DBFO)

Major new road schemes planned for next two years:

1999–2000

A2/M2 Cobham—Junction 4

A1 Tempsford Junction Improvements

London Primary Route Signing North West Contract

A13 Ironbridge—Canning Town[1]

A13/A117 Woolwich Manor Way[1]

A13 Movers Lane[1]

A13/A112 Prince Regent Lane (contingent scheme subject to satisfactory completion of statutory procedures)[1]

2000–01

A1 Willowburn—Denwick

A6 Great Glen Bypass

A27 Polegate Bypass

A41 Aston Clinton Bypass

A43 Silverstone Bypass

A43 Whitfield Turn—Brackley Hatch Improvement

A1033 Hedon Road, Hull Improvement

[1] These schemes are part of the A13 Thames Gateway DBFO Project for which a contract will be awarded this year. The actual start of works dates will be determined by the DBFO Company.

Motor Vehicle Tax Rises

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions what the effect has been on the annual costs of his Department of the changes in fuel duty and vehicle licence fees since May 1997. [88089]

Mrs. Liddell: This information is not available. Records are not kept centrally.

Ministerial Transport

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions (1) on how many days over the last six months he has used *(a)* a car, *(b)* a bus and *(c)* a train for his official duties; [88101]

(2) on how many occasions in the last six months he has travelled to work at his office by *(a)* car and *(b)* public transport. [88097]

Mr. Prescott: I travel by car and by public transport on a regular basis on my official visits and journeys to my office.

Ministers are required under the Ministerial Code to always make efficient and cost-effective travel arrangements.

London Underground

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions what are *(a)* the cost to date and *(b)* the anticipated future cost of legal, financial and other professional advice in respect of the Public-Private Partnership for the London Underground. [88102]

Mrs. Liddell: I refer the right hon. Gentleman to the answer given on 12 May 1999, *Official Report*, columns *154–55*. We have made a commitment to provide the House with updated figures at six monthly intervals. London Transport will not know the overall requirements or costs for external advice until the Public-Private Partnership (PPP) transaction has been completed, but the Government are working together with LT to ensure that we receive the best advice while minimising the overall costs of implementing the PPP.

Public Sector Housing

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions how many public sector houses for rent are currently empty. [88098]

Ms Armstrong: On 1 April 1998 there were an estimated 95,300 vacant public sector properties in England.

Urban Development Corporation

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions when each of the urban development corporations was wound up; and what residual costs fall to be paid in 1999–2000. [88065]

Mr. Caborn: The following urban development corporations ceased operations on 31 March 1998 and were dissolved on 1 July 1998:

Birmingham Heartlands

Black Country

London Docklands

Merseyside

Plymouth

Teesside

Trafford Park

Tyne and Wear.

Residual property, rights and liabilities were transferred to the Commission for the New Towns, now part of English Partnerships (EP). Its budget for unavoidable liability costs in 1999–2000 amounts to £24.2 million.

Home Energy Efficiency Scheme

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions if additional money beyond the £300 million so far allocated to the New Home Energy Efficiency Scheme will be required to provide the average grant to the number of homes given in his answer of 25 May 1999, *Official Report*, column *88*, and to make grants at equivalent levels in Scotland and Wales; and if he will make a statement. [88151]

Mr. Meale: The estimated average grants under the proposed New Home Energy Efficiency Scheme (HEES) are based on the use of seven year operating leases to fund the installation of central heating systems under New HEES Plus. They include the full cost of the lease over the term.

The resources allocated to this area cover the estimated number of properties improved through New HEES and also the separate programmes in Scotland and Wales in 2000–01 and 2001–02, including the operating lease charges during these years.

The nature of the separate programmes in Scotland and Wales is a matter for the Parliament and the Assembly respectively.

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 25 May 1999, *Official Report*, columns *88–89*, what obligation will there be under the New Home Energy Efficiency Scheme to target the most vulnerable households. [88154]

Mr. Meale: The objective of the New Home Energy Efficiency Scheme is to target the most vulnerable households, and this will be carried through the operation of the scheme and the specification for work set for scheme managers.

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 25 May 1999, *Official Report*, columns *88–89*, if the figures for average value of grant-assisted work given there included administrative costs. [88150]

Mr. Meale: They do not include administrative costs incurred by scheme managers but include those incurred by installers.

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 25 May 1999, *Official Report*, column *87*, what value of grant-assisted work was assumed in his model to calculate the reduced heating costs for an average three bedroom semi-detached house. [88155]

Mr. Meale: Under the New Home Energy Efficiency Scheme (HEES), the value of the work on each individual property will be up to £700 in the case of New HEES, and up to £1,800 with New HEES Plus, depending on the energy efficiency of the property prior to improvement.

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 25 May 1999, *Official Report*, column *87*, what is the basis for his statement that New Home Energy Efficiency Scheme and New Home Energy Efficiency Scheme Plus will substantially move households out of fuel poverty. [88157]

Mr. Meale: Our view that the New Home Energy Efficiency Scheme (HEES) and New HEES Plus will substantially move households out of fuel poverty is based on a careful assessment of the fuel cost savings which householders will derive from the comprehensive packages of assistance provided.

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the expenditure required (i) per household and (ii) for all households in England, to achieve a minimum SAP rating of 30, and a minimum SAP increase in houses included for treatment of 10 points, in all homes with a current SAP rating of *(a)* less than 10, *(b)* less than 20, and *(c)* less than 30. [88156]

Mr. Meale: Estimates of the expenditure required were published in the English House Condition Survey 1991, Energy Report, SO 1996. (Page 225, Table 19.4). A similar analysis using data from the 1996 English House Condition Survey is planned.

Household Projections (Hampshire)

Mr. Swayne: To ask the Secretary of State for the Environment, Transport and the Regions what was the projected estimate of the number of new households in Hampshire in 2016 *(a)* in 1992 and *(b)* at the most recent date; and if he will make a statement. [88121]

Mr. Raynsford: The 1992-based household projections gave a projection of 0.783 million households for Hampshire for 2016. Preliminary information on counties from the 1996-based household projections was sent to Regional Planning Conferences in May. These new figures show a projected 0.81 million households in Hampshire in 2016.

Out-of-town Supermarkets

Mr. Cohen: To ask the Secretary of State for the Environment, Transport and the Regions if he will estimate the number of car journeys made to out-of-town supermarkets in the last year for which figures are available. [88328]

Ms Glenda Jackson: Data are not available on the number of car journeys made to out-of-town supermarkets.

Local Authority Housing (Single Mothers)

Lorna Fitzsimons: To ask the Secretary of State for the Environment, Transport and the Regions how many local authorities do not make housing provision for single mothers under the age of 18 years. [88393]

Mr. Raynsford: Under Part VII of the Housing Act 1996 (the homelessness legislation), all housing authorities are obliged to secure temporary housing for homeless single mothers under the age of 18 years if they are not intentionally homeless and there is no other suitable accommodation available for them to occupy in the district. Local authorities are also empowered to allocate housing under Part VI of the 1996 Act to people on their housing registers. Information on the number of local housing authorities who make provision of housing for young single mothers through their housing registers is not held centrally.

Walking

Mr. Bob Russell: To ask the Secretary of State for the Environment, Transport and the Regions how many officials in his Department are directly employed promoting walking policies; and what proportion this figure represents of the total number of people employed by his Department. [88163]

Ms Glenda Jackson: Work in support of walking policies, including research, accounts for the whole of one post and a significant part of nine others. On 1 April 1999 there were 3,450 full-time equivalent civil servants working in DETR (Central).

A5/M1 Link (Bedfordshire)

Mr. Sayeed: To ask the Secretary of State for the Environment, Transport and the Regions what additional funding he plans to make available for the A5/M1 link road in Bedfordshire. [88171]

Ms Glenda Jackson: The possible A5/M1 link road in Bedfordshire would form part of the Luton Northern Bypass, which is a major long-term local authority scheme. Bedfordshire County Council and Luton Borough Council are currently working on a joint 5-year local transport plan submission for the area. I understand that the Translink public transport scheme is likely to be their highest priority major project.

In the Trunk Road Review the A5 Dunstable Bypass and the M1 Junction 6A-10 Widening were included in the London to South Midlands Study area—which is in the Tranche 2 of the Government funded study programme. The study will address a range of transport issues including motorway congestion, development pressures and access to major urban areas such as Luton and Dunstable and possible local solutions including any A5/M1 Link North of Dunstable.

Rail Services (North Kent)

Dr. Stoate: To ask the Secretary of State for the Environment, Transport and the Regions (1) what discussions he has had with Railtrack regarding the introduction of 12 car trains between North Kent and London; [88203]

(2) what discussions he has had with Railtrack regarding the introduction of trackside equipment to allow North Kent Networker trains to make use of their REGEN braking system; [88202]

(3) what discussion he has had with Railtrack regarding the upgrading of the power supply on North Kent lines to allow longer trains to run; [88204]

(4) what discussions he has held with Railtrack regarding the completion of new track signalling systems for North Kent commuter lines. [88201]

Ms Glenda Jackson: This is a matter for Railtrack who are currently discussing with OPRAF and Connex the options for introducing 12 car trains between North Kent and London and the related issues of new track signalling systems, upgrading the power supply and facilitating the use of REGEN braking system in Networker trains.

Station Refurbishment

Mr. Burstow: To ask the Secretary of State for the Environment, Transport and the Regions what powers he has to require a train operating company to implement a refurbishment of a particular station. [88401]

Ms Glenda Jackson: Train operating companies are obliged to meet certain minimum standards at stations which are set out in their franchise agreements. These do not cover refurbishment of stations which is primarily the responsibility of Railtrack with the train operating companies.

Millennium Dome (Transport Links)

Mr. Gapes: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on transport links and access to the Millennium Dome from East London and Essex. [87234]

Ms Glenda Jackson: The Millennium Experience will be a 'car free' event, with parking at the Dome site restricted to Orange Badge Holders only and extensive parking controls in place on and around the Greenwich peninsula. The transport strategy devised for the Experience therefore focuses on access to the Dome site being made by public transport.

For visitors travelling from East London and Essex, the most convenient public transport route will be travel by surface rail to either Stratford or West Ham stations, or where appropriate the Docklands Light Railway to Canning Town station, and transfer on to the extended Jubilee Line to make the short journey to North Greenwich station, which is located adjacent to the entrance of the Dome site.

For visitors who seek to make the first leg of their journey by car, the New Millennium Experience Company is intending to manage a small number of formal park and ride facilities around London at which a limited number of visitors each day, who pre-book in advance, will be able to leave their vehicles before completing their journey on convenient public transport links. For visitors travelling from East London and Essex, the most convenient park and ride facility will be the proposed site in the north east sector of London which, subject to planning permission, will be located at Stratford. Visitors parking at the Stratford site would be transferred the short distance to Stratford station by shuttle bus, where they would again take the extended Jubilee Line to North Greenwich Station.

House Building (Green-field Land)

Mr. Green: To ask the Secretary of State for the Environment, Transport and the Regions what is his estimate of the amount of green-field land that will be required to meet the Government's targets for new house-building by *(a)* 2010 and *(b)* 2015. [88785]

Mr. Raynsford: The Government does not set targets for new house-building. Housing requirements are derived both locally and regionally and land for housing is allocated through the planning process. The Government's target is that 60 per cent. of additional housing should be built on previously developed land or should re-use existing buildings.

Charity Shops (Rate Relief)

Mr. Lock: To ask the Secretary of State for the Environment, Transport and the Regions what assessment the Government have made of the effects of rate relief granted to charity shops on the development of small and medium-sized towns. [88615]

Mr. Meale: No assessment has been made of the effects of granting rate relief to charity shops. However, as part of the Treasury's overall review of charity taxation my Department is considering whether there is a need to issue further guidance to local authorities to ensure that only those charity shops which 'wholly or mainly' sell donated goods receive rate relief.

Specialist Shops (Local Government Assistance)

Mr. Lock: To ask the Secretary of State for the Environment, Transport and the Regions what financial assistance is available through local government to support small and specialist shops in small and medium-sized towns; and if he will make a statement. [88616]

Mr. Meale: There is no specific financial assistance available for small and specialist shops in small or medium sized towns. The Single Regeneration Budget (SRB) does fund comprehensive regeneration schemes put forward by local partnerships (which may include local authorities) in deprived areas. These schemes usually have multiple objectives and it is not possible to quantify their benefit to particular business groups. However, small shops may benefit from schemes which assist business start-ups, living over the shop, environmental improvements and provision of security measures.

The Government are considering measures to reduce the rate burden on small businesses as was stated in our White Paper "Modern Local Government—In touch with the People" published last July. We intend to consult further on proposals in the autumn.

Horse Riders

Mr. Maclean: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to publish proposals permitting horse riders to use certain footpaths; and if he will make a statement. [88351]

Mr. Meacher: We are considering recommendations for improvements to rights of way legislation submitted by the Countryside Commission (now the Countryside Agency) and expect to issue a consultation paper shortly.

London and South Wales Multi-modal Study

Jane Griffiths: To ask the Secretary of State for the Environment, Transport and the Regions what account the London and South Wales multi-modal study has taken of the report by MDS Transmodal on the benefits of increasing the gauge to allow piggyback freight. [88736]

Ms Glenda Jackson: The study will address these issues.

EU Regional Chambers

Mr. Mitchell: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 10 June 1999, *Official Report*, column *377*, who appoints the members of European Regional Chambers; what are their duties; with what other regional bodies they are in partnership; by what tests they are considered suitable for designation under the Regional Development Agencies Act 1998; and what further responsibilities arise from that designation. [88686]

Mr. Caborn: As I said in my answer on 10 June 1999, *Official Report*, column *377*, regional chambers have no formal status in relation to the European Union; they are therefore not "European" regional chambers.

Regional chambers are voluntary partnerships formed by local authorities and other regional stakeholders with an interest in the economic, social, and environmental well-being of the region. Membership is decided by the stakeholders themselves. However, for the chamber to achieve designation the basis for the selection of the membership must meet criteria set out in the White Paper 'Building Partnerships for Prosperity' published in December 1997, and general principles set out in further guidance issued by the Department in August 1998. The White Paper criteria and the further guidance also cover non-membership issues. Copies are in the Library.

The Regional Development Agencies Act 1998 imposes no duties or responsibilities on regional chambers but designation enables them to play a consultative and scrutiny role in relation to the Regional Development Agencies. The Government also believe that regional chambers are well placed to take over the role of regional planning bodies, but it is for the existing planning bodies to decide whether and how this should be done.

Otherwise, it is for the regional chambers themselves, as voluntary partnerships, to decide their own work programmes and the extent of their partnership activity.

SCOTLAND

Salmon Fishery Boards

Mrs. Ray Michie: To ask the Secretary of State for Scotland what plans he has to restructure the district salmon fishery boards; and if he will make a statement. [87691]

Mr. Macdonald: The District Salmon Fishery Boards Order 1999 came into effect on 3 May. It replaced the previous provisions of Schedule 2 of the Salmon Act 1986 on the composition of district salmon fishery boards, allowing boards greater freedom to determine optimum size and structure for themselves. The Order will facilitate mergers of boards, through offering the scope for pooling resources and promoting more science-based fisheries management in line with the Report of the Scottish Salmon Strategy Task Force. A number of boards have already elected to take advantage of the new Order and this is reflected in the Lochaber Salmon Fishery District Designation Order 1999, the Conon Salmon Fishery District Designation Order 1999 and the North and West Salmon Fishery District Designation Order 1999.

From 1 July 1999, this will be a matter for the Scottish Parliament.

Oncologists

Mr. Paul Marsden: To ask the Secretary of State for Scotland how many clinical and medical oncologists are employed per head of population in Scotland; and if he will make a statement. [87869]

Dr. Reid: The information available is shown in the table.

Medical and clinical oncologists employed in the NHS in Scotland (30 September 1998)

	Headcount	WTE [1]	Rate per 100,000 population Headcount	WTE [1]
Medical oncologists	38	30.7	0.74	0.60
Clinical oncologists	75	70.3	1.46	1.37

[1] Whole-time equivalent

Source:
Information and Statistics Division of the Common Services Agency

From 1 July 1999, this will be a matter for the Scottish Parliament.

Local Government Finance

Mr. David Stewart: To ask the Secretary of State for Scotland what plans he has to cap local authority spending in the current year. [89115]

Dr. Reid: None. This year we fulfilled our Manifesto commitment to abolish crude and universal capping; instead Scottish local authorities were issued with indicative expenditure guidelines. Most authorities have exercised their new discretion sensibly. Eight authorities have set budgets in excess of the guideline, although in most cases by small amounts. Three authorities have made large increases; they are East Dunbartonshire, Aberdeenshire and Perth and Kinross.

I have consulted the First Minister, who will be responsible for this matter after 1 July. We have decided not to cap any authorities this year. However we have called in the three authorities named above to discuss why they have made such large increases and put them on warning that we will expect them to return to guideline next year.

WALES

Hospital Waiting Lists (North Glamorgan)

Mr. Rowlands: To ask the Secretary of State for Wales (1) what estimate he has of the number of patients within the North Glamorgan Trust who are awaiting cardiac surgery *(a)* at the University of Wales Hospital and *(b)* at Morriston Hospital; and what is the average waiting time for each list; [86834]

(2) what estimate he has made of the number of patients with the North Glamorgan Trust who are awaiting orthopaedic surgery *(a)* at the University of Wales Hospital and *(b)* at Morriston Hospital; and what is the average waiting time for each list. [86835]

Mr. Jon Owen Jones: Data are not held centrally on the numbers of patients waiting for in-patient or day case treatment in one NHS trust following an out-patient consultation in a hospital of another NHS trust.

Following the transfer of functions, this issue will be a matter for the National Assembly for Wales.

Community Hospital, Porthmadog

Mr. Wigley: To ask the Secretary of State for Wales if he will make a statement about the letter from Keith Blake of the Health Services and Management Division of the Welsh Office, addressed to Gwynfor Hughes of Porthmadog, dated 9 June, in relation to the future of the proposals for the new community hospital at Porthmadog. [88588]

Mr. Jon Owen Jones: The Department's letter of 9 June set out the current position regarding funding for the North Merionydd/East Dwyfor Community Hospital scheme.

An Outline Business Case for the new hospital was approved by the Department in February 1999 and the scheme was considered for public funding in 1999–2000.

The Secretary of State's spending decisions for 1999–2000 made provision of £83 million for NHS capital expenditure to complete on-going schemes and for discretionary capital expenditure by Trusts. Funding was not allocated to this scheme.

Following the transfer of functions, this will be a matter for the National Assembly.

Mr. Wigley: To ask the Secretary of State for Wales if the business plan submitted by North Wales Heath Authority for a new community hospital to serve North Meirionydd and Eastern Dwyfor was accepted by his Department; and what the current position is with regard to this project. [88620]

Mr. Jon Owen Jones: The Outline Business Case for the North Merionydd/East Dwyfor Community Hospital was formally approved by the Department in February 1999.

Funding has not been allocated for this project to commence in 1999–2000.

I am unable to comment on the funding position for 2000–01.

Following the transfer of functions, this will be a matter for the National Assembly.

Mr. Wigley: To ask the Secretary of State for Wales if it is his Department's policy that the decision on whether to include in the 1999–2000 Capital Programme provision for a new community hospital to serve North Meirionnydd and Eastern Dwyfor, at Porthmadog, is a matter for the North Wales Health Authority. [88619]

Mr. Jon Owen Jones: It is a matter for the North Wales Health Authority to decide if it wishes to continue its support for the provision of a new Community Hospital at Porthmadog.

The Department's policy is that NHS Trusts must provide confirmation of Health Authority support before a Business Case can be approved.

North Wales Health Authority did support in full the proposals from Gwynedd Community Health NHS Trust for the new Community Hospital at Porthmadog, and the Outline Business Case was subsequently approved by the Department and the scheme was considered for public funding in 1999–2000.

The Health Authority has confirmed that its position remains unchanged and it will continue to support the Trust's proposals.

Following the transfer of functions, this will be a matter for the National Assembly.

TRADE AND INDUSTRY

Textphones

Mr. Burstow: To ask the Secretary of State for Trade and Industry what is the current number of public textphones; and what plans Her Majesty's Government have to increase the level of provision. [88411]

Mr. Wills: There are currently 84 public textphones in the country, provided by BT. The Government are planning to consult on the provision of public textphones in a consultation later this year on improving access to telecommunications for the disabled. This is part of its further implementation of the Revised Voice Telephony Directive (98/10/EC). This should result in an increase in the provision of public textphones, especially in places such as railway stations and shopping centres.

Nuclear Reactors

Mr. Cohen: To ask the Secretary of State for Trade and Industry if he will list the Chernobyl-type nuclear reactors, indicating those which are in operation. [88398]

Mr. Battle: The RBMK (Chernobyl-type) nuclear reactors of which we are aware are Chernobyl 1–2, Chernobyl 3*, Ignalina 1, Ignalina 2*, Kursk 1–4*, Kursk 5 (under construction), Leningrad (Sosnovy Bor) 1–4* and Smolensk 1–3*. Those marked with an asterix are in operation.

Mr. Cohen: To ask the Secretary of State for Trade and Industry what assessment he has made of the safety of remaining Chernobyl-type nuclear reactors; and if he will make a statement on programmes of remedial action to which Her Majesty's Government have contributed. [88397]

Mr. Battle: The UK continues to work with our G7 and European partners to improve nuclear safety in the countries concerned. This is undertaken through a number of multilateral assistance programmes funded through the G7 Nuclear Safety Account (NSA), International Atomic Energy Authority (IAEA) Technical Co-operation Programme and the European Bank for Reconstruction and Development managed Chernobyl Shelter Fund. The UK also funds a bilateral programme of activities through its Nuclear Safety and Health Budget which is administered by the DTI.

The most recent assessment of the safety of Chernobyl-type nuclear reactors was undertaken in June at the IAEA in Vienna where there was a meeting of strengthening nuclear safety in Eastern Europe. All nuclear countries who operate Chernobyl-type nuclear reactors (RBMK) attended along with leading international organisations that provide nuclear safety assistance to them. The meeting concluded that there is no question that considerable progress on nuclear safety has been made in Eastern Europe and in their operation of nuclear power plants where they have demonstrated clear progress in operational safety improvements.

Papers distributed at the meeting and copies of the presentations can be accessed through the IAEA website.

Electricity Generation

Dr. Kumar: To ask the Secretary of State for Trade and Industry in what way the climate change levy will promote the efficient generation of electricity; and if he will make a statement. [88200]

Mr. Battle: The proposed climate change levy will be levied downstream on energy supplied to industrial and commercial users. This will ensure that domestic consumption of energy is excluded. Since it is a downstream tax there will be relatively little impact on the mix of fuels used, and efficiency, in generation.

However, the Government are looking closely at the possibility of exempting new forms of renewable energy, like wind power, from the levy. The consultation document issued by Customs and Excise sought views on whether, and if so, how this could be done. The treatment of Combined Heat and Power plants is also being considered. In addition, the Government have announced that there will be an extra £50 million a year for schemes aimed at promoting energy efficiency and additional support for renewables.

Finally, the White Paper, "Conclusions of the Review of Energy Sources for Power Generation", sets out the Government's broad energy policy, including radical reforms to the electricity market. These reforms will bring greater competition to electricity generation and lower prices for consumers.

Climate Change Levy

Dr. Kumar: To ask the Secretary of State for Trade and Industry if he will publish a breakdown of *(a)* the current emission levels and *(b)* the estimated emission levels following the introduction of the climate change levy by industrial sector; and if he will make a statement. [88300]

Mr. Battle: The following table showing 1997 emissions of greenhouse gases by source was published by the Department of the Environment Transport and the Regions on 13 May 1999. Emission levels by industry following the introduction of the climate change levy will depend upon the structure and rate of the levy. However, in total the levy is expected to save around 1.5 million tonnes of carbon a year by 2010 thereby making a significant contribution to meeting both the legally binding target for reducing greenhouse gas emissions set under the Kyoto protocol and the Government's domestic goal of a 20 per cent. reduction in carbon dioxide emissions by 2010.

Summary report of UK greenhouse gas inventory in 1997, by IPCC source categories—United Kingdom

Thousand tonnes

Greenhouse gas source and sink categories	*CO_2 emissions (CO_2 equivalent)* [2]	*CO_2 removals* [1]	*CH_4*	*N_2O*	*NO_x*	*CO*	*NMVOC*	*SO_2*	*HFC*	*PFC*	*SF_6*
All energy (fuel combustion + fugitive)	528,775	—	862	23.3	1,827	4,701	1,138	1,644	—	—	—
Fuel combustion	520,944	—	94	23.2	1,823	4,676	748	1,632	—	—	—
Energy industries[3]	184,615	—	20	6.7	468	95	10	1,213	—	—	—
Manufacturing industries and construction[4,5,6]	91,401	—	13	3.1	214	428	27	242	—	—	—
Transport	123,756	—	21	11.8	965	3,818	647	54	—	—	—
Other sources[3,7,8]	118,205	—	40	1.6	142	330	63	114	—	—	—
Other[8,9]	2,967	—	—	0.1	35	5	1	8	—	—	—
Fugitive emissions from fuels	7,832	—	768	—	4	25	390	12	—	—	—
Solid fuels[10]	1,566	—	327	—	—	4	6	5	—	—	—
Oil and natural gas[3]	6,265	—	441	—	4	21	384	7	—	—	—
Industrial processes[4]	11,839	—	1	69.4	5	385	223	16	3.067	0.095	0.053
Mineral products	9,531	—	—	—	—	—	8	—	—	—	—
Chemical industry[6]	814	—	—	69.3	2	—	113	11	—	—	—
Metal production[4]	1,495	—	1	—	3	385	2	5	—	0.035	0.030
Other production	—	—	—	—	—	—	100	—	—	—	—
Production of halocarbons and SF_6	—	—	—	—	—	—	—	—	1.350	0.001	—
Consumption of halocarbons and SF_6[11]	—	—	—	—	—	—	—	—	1.717	0.060	0.023
Solvent and other product use	—	—	—	—	—	—	582	—	—	—	—
Agriculture	—	—	1,004	98.9	—	—	—	—	—	—	—
Enteric fermentation[12]	—	—	893	—	—	—	—	—	—	—	—
Manure management[12]	—	—	111	5.0	—	—	—	—	—	—	—
Agricultural soils	—	—	—	93.9	—	—	—	—	—	—	—
Land use change and forestry	27,075	11,557	—	—	—	—	—	—	—	—	—
Changes in forest and other woody biomass stocks[13]	—	10,457	—	—	—	—	—	—	—	—	—
Forest and grassland conversion. Abandonment of managed lands. CO_2 emissions and removals from soil[14]	23,409	—	—	—	—	—	—	—	—	—	—
Other[15]	3,667	1,100	—	—	—	—	—	—	—	—	—
Waste	29	—	861	0.5	—	1	8	—	—	—	—
Solid waste disposal on land[16]	—	—	826	—	—	—	8	—	—	—	—
Wastewater treatment[16]	—	—	35	0.5	—	—	—	—	—	—	—
Waste incineration	29	—	2	—	—	1	—	—	—	—	—
Total national emissions and removals	−567,719	1,557	2,727	192.0	1,832	5,088	1,951	1,660	3.067	0.095	0.053
CO_2 emissions from biomass[17,18]	5,749	—	—	—	—	—	—	—	—	—	—
International bunkers[19]	30,262	—	5	1.2	258	103	56	124	—	—	—

[1] Removals of CO_2 reported as negative.

[2] To express in terms of weight of carbon emitted the figures for emissions and removals of CO_2 should be multiplied by 12–44.

[3] Includes emissions from own-energy gas use on offshore installations.

[4] Combustion emissions of CO_2 from iron and steel are included in "manufacturing industries and construction". Process emissions from the iron and steel industry are included in "metal production". Limestone use in the iron and steel industry is classified under "mineral products".

[5] Emissions from off-road vehicles are reported under "manufacturing industries and construction" and "other sectors".

[6] The emissions of CO_2 from ammonia manufacture are reported under "chemical industry".

[7] Small combustion sources including residential, commercial and institutional sectors.

[8] Emissions from stationary combustion at military installations are reported under "other sectors".

[9] Naval vessels and military aircraft.

[10] Fugitive emissions of CO_2 from coke ovens and patent fuel production are calculated according to a carbon balance on the coal consumed and the coke, patent fuel, blast furnace gas and coke oven gas produced. Emissions from flaring of coke oven gas are also included.

[11] Emissions arise from refrigeration, electronics applications, electrical insulation, foams, aerosols and training shoes.

[12] Emissions from cattle, swine, sheep, goats, horses, farmed deer and poultry.

[13] Removals include removals to forest soil and litter (-2,151 Gg CO_2) and to forest products (-1,111 Gg CO_2).

[14] Emissions include removals to soils from set aside of arable land and emissions from soils from liming. CO_2 emissions arise from limestone and dolomite use.

[15] Emissions include emissions from soils as a result of upland drainage (1,467 Gg CO_2), lowland drainage (1,467 Gg CO_2) and peat extraction (733 Gg CO_2). Removals are increases in crop biomass. CO_2 removal from salt marshes is no longer reported because it is considered anthropogenic.

[16] Sewage sludge disposed of by landfill is included under "solid waste disposal on land".

[17] Emissions arise from wood, straw, biogases and poultry litter combustion for energy production.

[18] CO_2 emissions are given for information only and are not included in totals.

[19] Emissions are given for information only and are not included in totals.

Source:

NETCEN

Electrolysis Process

Dr. Kumar: To ask the Secretary of State for Trade and Industry what estimate he has made of the number of people employed *(a)* directly and *(b)* indirectly in UK companies who use the electrolysis process; and if he will make a statement. [88197]

Mr. Battle: This information is not available from official statistics. One of the main industries which uses electrolysis is the chloralkali industry, and estimates from the Chemical Industries Association for employment in the chloralkali industry suggest that 4,000 people are directly employed in this industry.

Dr. Kumar: To ask the Secretary of State for Trade and Industry what assessment he has made of the amount of energy used by UK companies in the electrolysis process within the chemical industry; and if he will make a statement. [88173]

Mr. Battle: ETSU, part of AEA Technology, estimate that 16 peta joules of energy were used in the manufacture of chlorine through the electrolysis process in the UK in 1990. This represented roughly 1 per cent. of the amount of energy used by manufacturing industry in 1990. No later information is available and it should be noted that the figures for energy consumption for the manufacture of chlorine through the electrolysis process may have changed significantly since 1990.

Assisted Areas

Mr. Redwood: To ask the Secretary of State for Trade and Industry what changes the Government plan in the extent of assisted areas coverage. [88111]

Mr. Wills: We will announce the results of the review as soon as we are ready to do so.

Utilities (Consumption)

Dr. Kumar: To ask the Secretary of State for Trade and Industry what assessment he has made of the percentage increase in the consumption of oil, gas and electricity by *(a)* industry and *(b)* the general public since 1990; and if he will make a statement. [88000]

Mr. Battle: The percentage changes in, and levels of, final consumption of fuels between 1990 and 1998 are as follows:

	Petroleum	*Gas* [2]	*Electricity*	*Coal* [3]	*Total*
Percentage change between 1990 and 1998 [1]					
Industry[4]	−15.4	23.8	2.8	−26.6	0.0
Domestic	42.9	19.9	16.6	−46.8	13.5
Transport	9.8	—	46.6	—	10.4
Other users[5]	−25.6	39.6	21.4	−64.8	12.8
All final consumers	5.3	24.1	13.4	−35.7	8.8
Energy consumption by final users 1998 [1] *(thousand tonnes of oil equivalent)*					
Industry[4]	6,973	16,734	8,898	6,044	38,648
Domestic	3,544	30,983	9,404	2,325	46,267
Transport	52,892	0	667	0	53,562
Other users[5]	3,275	10,281	7,804	325	21,684
All final consumers[6]	66,684	57,999	26,774	8,695	160,162
Energy consumption by final users 1990 [1] *(thousand tonnes of oil equivalent)*					
Industry[4]	8,242	13,522	8,655	8,237	38,655
Domestic	2,480	25,835	8,066	4,368	40,758
Transport	48,179	0	455	2	48,635
Other users[5]	4,402	7,364	6,426	922	19,217
All final consumers[6]	63,302	46,720	23,601	13,529	147,265

[1] Based on final consumption of energy as given in table. 1998 figures are provisional. 1990 figures are published in the "Digest of United Kingdom Energy Statistics 1998" and 1998 provisional figures are published in "Energy Trends" May 1999
[2] Includes coke oven gas used by industry
[3] Consists of coal and other solid fuels
[4] Manufacturing industry, construction, mining and quarrying of non energy materials and water supply industries
[5] Comprises of public and commercial services and agriculture
[6] Totals may not sum due to rounding

Vibration White Finger

Mr. Rowlands: To ask the Secretary of State for Trade and Industry how many validating doctors to examine claims for vibration white finger have been approved; and if he will list the location of each of these doctors. [87454]

Mr. Battle: Many claims received by the Department are accompanied by reports from Vascular Consultants. However, many of these reports contain insufficient detail on which to assess a claim. The Department is making offers on the basis of reports, wherever possible, but only where we are satisfied that the resulting offer is fair and properly reflects the individual's entitlement. The Department has satisfied itself that it can make offers based on the reports of 19 consultants. These consultants are based in Chesterfield, Sheffield, Doncaster, Nottingham, Cardiff, Dundee, Newcastle Upon Tyne, Paisley, Washington Tyne and Wear and Edinburgh.

The Department has always made clear to the plaintiff solicitors that making offers, based on acceptable consultant's reports, was an interim measure to allow payments to be made until the tendering process for the delivery of the agreed Medical Assessment Process (MAP) was completed. We hope to award the contract for the delivery of the medical assessments shortly and are hopeful that significant offers of full and final payments will start flowing in the late summer.

Agricultural and Pharmaceutical Biotechnology Industries

Joan Ruddock: To ask the Secretary of State for Trade and Industry what estimate he has made of the number of people employed in the *(a)* agricultural and *(b)* pharmaceutical biotechnology industry in (i) 1997–98, (ii) 1998–99 and (iii) 1999–2000. [87769]

Mr. Battle: This information is not available from official statistics.

A report published earlier this year by the BioIndustry Association[1] estimates employment in dedicated biotechnology companies to be between 35–40,000 (with the sector growing annually by over 20 per cent. over the period 1995–98). Of these it estimates that 8–10,000 are employed in the biopharmaceuticals sector, and 3,000 in the biotechnology dedicated area of agriculture.

In addition there is a significant number of people engaged in biotechnology related-work among the 60,000 UK employees of established pharmaceutical companies[2] and the 615,000 employed in the UK agriculture sector[3].

[1] "Industrial markets for UK biotechnology—trends and issues"

[2] Monitor Company: The UK Pharmaceutical Industry at a Crossroads

[3] MAFF Statistics

"Processing the Future"

Dr. Kumar: To ask the Secretary of State for Trade and Industry when the Government are preparing to implement the recommendation of the report of the Foresight Process Industry Group, "Processing the Future". [87266]

Mr. Battle: The Process Industry Group has made a valuable contribution to the Foresight programme. We welcome their "Processing the Future" report. We are pleased that they are willing to develop their ideas in the second round of Foresight. These will be of special interest to the new Manufacturing 2020 and Chemicals Foresight Panels.

The Government emphasised the importance which it attaches to multi-disciplinary research and closer joint working between the Research Councils in allocating the Science Budget last autumn. The Research Councils are implementing these policies, and are taking account of the report's recommendations in their planning.

As the process industries are so diverse, there is a wide range of innovation initiatives supported by Government and the Research Councils. For example, 21 per cent. of the Engineering and Physical Science Research Council's research grant support is of relevance to process industries. EPSRC also have a number of joint activities in the process industries with other Research Councils. These include the process industries sector of the Innovative Manufacturing Initiative (EPSRC with the Biotechnology and Biological Science Research Council), Biomolecular Science (BBSRC) and a Medical Engineering LINK programme (EPSRC, BBSRC and the Medical Research Council). In the chemicals sector (perhaps the biggest process industry), DTI and EPSRC support initiatives on process plant instrumentation, catalysis, polymer processing and colloid technology.

Since the publication of the report, we have engaged trade associations from across the processing industries in discussions on the implications of the report. PIG members have made presentations to various learned societies and industrial sectors. As they refine their ideas within the Foresight agenda, we will play close attention to developments.

LORD CHANCELLOR'S DEPARTMENT

Family Mediation

Mr. Kidney: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will make a statement on the availability of legal aid for family mediation under the provisions of the Access to Justice Bill [*Lords*]. [88008]

Mr. Vaz: The current availability of legal aid for family mediation, contained in Part III of the Family Law Act 1996, will be maintained following the implementation of the Access to Justice Bill. The detailed provisions, including the assessment of the suitability of cases for mediation under section 29 of the Family Law Act, will be contained in the Funding Code, which is being developed by the Legal Aid Board for use by the future Legal Services Commission in assessing applications for public funding. The Bill provides that the criteria set out in the Code shall reflect the principle that, in many family disputes, mediation will be more appropriate than court proceedings. The Board is currently assessing responses to a consultation paper on the Code. Before coming into effect, the Code will be subject to Parliamentary approval through the affirmative procedure. Only organisations with a suitable contract will be able to conduct family mediation sessions for publicly funded clients.

Mr. Kidney: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list the measures taken by his Department since May 1997 to support family mediation. [88006]

Mr. Vaz: Since May 1997 the provision of publicly funded mediation for family proceedings under Part III of the Family Law Act has been implemented by means of contracts for family mediation services granted by the Legal Aid Board. Funding has been provided to assist national mediation bodies and local mediation services with the development of mediation services to meet the contract requirements in appropriate circumstances. The provisions of Section 29 of the Family Law Act, requiring applicants for legal aid funding for family proceedings to attend a meeting to consider whether mediation might be suitable for their case, have been implemented across England and Wales on a pilot basis and the pilot will be extended later this year.

Mr. Kidney: To ask the Parliamentary Secretary, Lord Chancellor's Department what measures his Department intends to take to promote an increased take-up of family mediation. [88007]

Mr. Vaz: The provision of legal aid funding for mediation in family disputes is already available in many areas and will be made available throughout England and Wales. As part of the process of providing publicly funded mediation, funding is being provided for the support and development of mediation services in appropriate

circumstances. The provisions of Section 29 of the Family Law Act, requiring applicants for legal aid funding for family proceedings to attend a meeting to consider whether mediation might be suitable for their case, are being implemented in some areas on a pilot basis and will also be implemented throughout England and Wales.

Prevention of Terrorism (Temporary Provisions) Act

Mr. Lidington: To ask the Parliamentary Secretary, Lord Chancellor's Department on what date his Department was first informed that Parts IVA and IVB of the Prevention of Terrorism (Temporary Provisions) Act 1989 were no longer in force. [88797]

Mr. Vaz: The Lord Chancellor was informed on 21 June 1999.

CULTURE, MEDIA AND SPORT

Lifelong Learning

12. **Ms Rosie Winterton:** To ask the Secretary of State for Culture, Media and Sport how the lifelong-learning initiative announced by the new opportunities fund will benefit local libraries. [87208]

Mr. Chris Smith: The £200 million New Opportunities Fund stream for Community Access to Lifelong Learning will make a substantial contribution towards developing the infrastructure for a Public Libraries IT Network, linking local libraries to each other and to the National Grid for Learning by 2002.

Seaside Resorts

14. **Mr. Waterson:** To ask the Secretary of State for Culture, Media and Sport what assistance he plans to provide for English seaside resorts. [87210]

Janet Anderson: Seaside resorts represent a very important sector of our domestic holiday market. "Tomorrow's Tourism", our tourism strategy, sets out the action that resorts need to take to adapt to changes in holiday-taking trends. It includes a model eight-stage regeneration plan. The English Tourism Council will work with regional and local authorities to encourage adoption of this model plan and the sharing of best practice by seaside resorts.

Hotels Rating Scheme

15. **Shona McIsaac:** To ask the Secretary of State for Culture, Media and Sport what benefit tourists will gain from the new harmonised rating scheme for hotels and guesthouses. [87211]

Janet Anderson: The consistency of ratings made under the new schemes by the AA, RAC and new English Tourism Council will be much easier to understand than the different ratings we have now and will therefore reflect better what tourists want to know. The new ratings place more emphasis on quality and so provide greater incentive for improved standards. There should be a greater incentive also for providers of accommodation to participate in the schemes, thus increasing the proportion of accommodation which is inspected and rated for use by tourists. These and other benefits should quickly begin to be found when the schemes are launched to consumers this September.

BBC Funding

16. **Mr. Grogan:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the review of the future funding of the BBC. [87213]

Mr. Chris Smith: I asked Gavyn Davies to report to me on the future funding of the BBC by the end of July. I understand that the panel are on course to do this.

25. **Mr. Ben Chapman:** To ask the Secretary of State for Culture, Media and Sport when he expects to receive the final recommendations from the BBC funding review panel; and if he will make a statement. [87224]

Mr. Chris Smith: I expect to receive the review panel's conclusions by the end of July. I will then consult publicly on the findings.

Sports Council

17. **Mr. Bill O'Brien:** To ask the Secretary of State for Culture, Media and Sport what benefits he expects to secure for the public and sporting clubs from the new funding agreements with the Sports Council. [87214]

Mr. Banks: The funding agreements for Sport England and UK Sport provide an explicit and challenging statement of the outputs and levels of performance we expect to be delivered in return for our public investment in sport.

Rugby Grounds

18. **Mr. Watts:** To ask the Secretary of State for Culture, Media and Sport what steps his Department is taking to improve safety and spectator comfort at rugby grounds. [87215]

Mr. Banks: The Government are determined that spectators of all sports should be able to enjoy the action in safety and comfort. In April I announced new roles for both Sport England and the Football Licensing Authority in our drive to modernise sports grounds across the country. Sport England is to fund a £10 million improvement scheme over the next four years to help top rugby league and rugby union teams, and the major cricket counties to improve safety at their grounds. In addition, the Football Licensing Authority will be reconstituted as the Sports Grounds Safety Authority and will have an advisory role on safety issues associated with all sports which use outdoor sports stadiums, including rugby. I am sure my hon. Friend will agree that these are welcome developments.

Tourism

19. **Valerie Davey:** To ask the Secretary of State for Culture, Media and Sport if he will ensure that tourism companies and organisations in all parts of the country are consulted on the implementation of the Government's new tourism strategy. [87216]

Janet Anderson: We shall. We are currently engaged in a 10-venue series of events across England both to further publicise our strategy, "Tomorrow's Tourism", and to consult with tourism companies and organisations on its implementation in their own regions.

Green Spaces Initiative

20. **Mr. Pound:** To ask the Secretary of State for Culture, Media and Sport what facilities for children will be provided by the green spaces initiative funded by the New Opportunities Fund. [87217]

Mr. Chris Smith: By 2002 the New Opportunities Fund will have committed £125 million to projects throughout the UK designed to help urban and rural communities improve their environment by creating access to green spaces of educational, recreational, or environmental value to the community.

Many of the wide variety of projects which may be funded under the initiative will be of specific benefit to children. These are likely to include community use of green spaces for play and recreation, or the creation of safe routes to schools.

The New Opportunities Fund is consulting widely on the development of the initiative and plans to invite the first applications by the end of this year.

BBC (Impartiality)

22. **Mr. Bercow:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the BBC's obligation to guarantee political impartiality. [87219]

Mr. Chris Smith: Broadcasters are required to treat matters of political controversy and those relating to current public policy with due impartiality. They must aim for accuracy and ensure that, over a reasonable period of time, a proper balance of different points of view is achieved. The Governors of the BBC are well aware of their obligations in this respect.

New Opportunities Fund

23. **Mrs. Heal:** To ask the Secretary of State for Culture, Media and Sport what directions he has given to the new opportunities fund about how it should allocate the extra £80 million it has been awarded. [87220]

Mr. Chris Smith: None. The New Opportunities Fund is pursuing six initiatives which will receive funding altogether of £1.5 billion. The revised forecast for Lottery income during the licence period means that money will be available earlier to meet these commitments.

Museums Access (Disabled)

24. **Joan Ruddock:** To ask the Secretary of State for Culture, Media and Sport if proposals to secure access to museums and galleries for disabled people have been included in funding arrangements negotiated with organisations sponsored by his Department. [87223]

Mr. Chris Smith: Yes. All the funding agreements between my Department and the sponsored national museums and galleries include proposals related to promoting access for people with disabilities.

Tobacco Sports Sponsorship

27. **Mr. Hinchliffe:** To ask the Secretary of State for Culture, Media and Sport what steps he is taking to ensure the removal of tobacco sponsorship from sport. [87226]

Mr. Banks: Draft regulations banning tobacco advertising were published on 17 June 1999. It is our intention, subject to consultation, to bring the general advertising regulations into force on 10 December. Tobacco sponsored sports events will have until 2003, or (in exceptional global cases) 2006, in order to allow them time to secure alternative sponsors.

Millennium Dome

31. **Miss McIntosh:** To ask the Secretary of State for Culture, Media and Sport what special arrangements and fares exist for people travelling from north Yorkshire to the Millennium Dome. [87230]

33. **Mr. Hinchliffe:** To ask the Secretary of State for Culture, Media and Sport what steps he is taking to encourage visitors from the north of England to the Millennium Dome. [87232]

Janet Anderson: The New Millennium Experience Company working with the travel industry, including rail and coach operators, aims to deliver packages combining travel and Dome entry. These will give visitors value for money and encourage all those who wish to visit the Dome to do so. Following the company's announcement of ticket prices on 18 March, the travel industry has already confirmed a range of attractive and competitive packages. For example, National Express has announced return coach travel and entry to the Dome for just £29.99 from anywhere in England, Scotland or Wales. I am sure that the people of North Yorkshire will take advantage of these good value packages.

32. **Mr. Pound:** To ask the Secretary of State for Culture, Media and Sport what measures his Department is taking to promote the Millennium Dome overseas. [87231]

Mr. Chris Smith: The British Tourist Authority (BTA) is promoting the Millennium Dome overseas as part of its campaign—"Britain: Now is the time". In addition the BTA's website www.visitbritain.com has information on the Dome as well as links to the New Millennium Experience Company (NMEC). The Department's website www.culture.gov.uk also contains information on the Dome and links to NMEC's site.

35. **Mr. Wyatt:** To ask the Secretary of State for Culture, Media and Sport what plans there are for a religious service or moment on the opening night at the Millennium Dome. [87235]

Janet Anderson: The New Millennium Experience Company (NMEC) is discussing the arrangements for the Opening Celebrations at the Dome with a number of interested parties including the Royal Household, the Government and Lambeth Palace. The nature and scope of the Celebrations will be announced in due course.

Ms Oona King: To ask the Secretary of State for Culture, Media and Sport how many temporary and permanent jobs he estimates will be created through the Millennium Dome. [87233]

Janet Anderson: I refer my hon. Friend to the reply that I gave to my hon. Friend the Member for Doncaster, Central (Ms Winterton), today, *Official Report* column 13.

Mr. Amess: To ask the Secretary of State for Culture, Media and Sport what estimates he has made of the numbers likely to visit the millennium exhibition in the first year. [87236]

Janet Anderson: The Millennium Experience is planned as a one-year event running from 1 January 2000 to 31 December 2000. The New Millennium Experience Company estimates that it will attract 12 million visitors during the year of operation.

Mr. Cox: To ask the Secretary of State for Culture, Media and Sport if he will list the private companies which *(a)* have made and *(b)* are to make, financial contributions to the Millennium Dome. [86238]

Janet Anderson: The following businesses and organisations have been announced as sponsors: BAA, Barclays, Boots The Chemists, British Aerospace, British Airways, BSkyB, BT, Camelot, CGU, Coca Cola, Corporation of London, De Beers, Ford, GEC, Kodak, L'Oreal, Manpower, Marks and Spencer, Mars, McDonald's NatWest Group, Premier Brands, Prudential, Reuters, Roche, Tesco, Wall's, Woolwich and 3Com.

In addition, financial support for the Faith zone is being provided by organisations with Christian affiliations (the Laing Family Trusts, the Jerusalem Trust, three other trusts and foundations, and an international company with links to the UK), and from the Vedic tradition (the Hinduja Foundation). Payment of sponsorship moneys depends on the contractual arrangements made with the sponsors. NMEC's Annual Report and Financial Statements 1998–99 will be placed in the House Libraries in due course and will include audited figures for that financial year.

Museums and Galleries (Children's Visits)

Mr. Martlew: To ask the Secretary of State for Culture, Media and Sport how many children have visited national museums and galleries since 1 April. [87212]

Mr. Chris Smith: There were over 338,000 visits by children to the national museums and galleries and their branches sponsored by my Department during April and May this year.

Sporting Excellence

Mr. Amess: To ask the Secretary of State for Culture, Media and Sport what recent representations he has received about promoting sporting excellence in the United Kingdom. [87218]

Mr. Banks: I have regular discussions with representatives from a wide range of organisations with an interest in the development of sporting excellence in this country.

HEALTH

HIV/AIDS

Dr. Strang: To ask the Secretary of State for Health (1) if he will list the cumulative number of people who had been diagnosed HIV positive *(a)* broken down by probable means of transmission and *(b)* in total in (i) England and (ii) each region of England, for each year from 1981 to 1998, and for 1999 to date; [84802]

(2) how many people diagnosed with AIDS and not known to have died there were in *(a)* England and *(b)* each region of England in each year from 1981 to 1998, and in 1999 to date; [84797]

(3) if he will list the cumulative number of people diagnosed with AIDS in *(a)* England and *(b)* each region of England in each year from 1981 to 1998, and in 1999 to date; [84800]

(4) if he will list the cumulative numbers of people with AIDS who died in *(a)* England and *(b)* each region of England in each year from 1981 to 1998, and in 1999 to date; [84799]

(5) how many people were newly diagnosed HIV positive *(a)* broken down by probable means of transmission and *(b)* in total in (i) England and (ii) each region of England, for each year from 1981 to 1998, and for 1999 to date; [84801]

(6) if he will list the cumulative number of people who had been diagnosed HIV positive and are not known to have died *(a)* broken down by probable means of transmission and *(b)* in total in (i) England and (ii) each region of England, for each year from 1981 to 1998, and for 1999 to date; [84803]

(7) how many people with AIDS died in *(a)* England and *(b)* each region of England in each year from 1981 to 1998, and in 1999 to date. [84798]

Ms Jowell: The information has now been placed in the Library.

Biomedical Scientists

Mr. Sawford: To ask the Secretary of State for Health what steps he plans to take to return salary levels for biomedical scientists within the NHS in comparison to doctors to the level which obtained in 1984; and if he will make a statement. [86470]

Mr. Denham: The pay of biomedical scientists, who are also called Medical Laboratory Scientific Officers, is negotiated in the Professional and Technical Staffs Whitley Council. The Management Side has made a pay offer for 1999–2000 based on issues specific to these staff, including recruitment and retention, affordability, National Health Service output targets and the economic context. We are also discussing with all NHS unions the proposals to modernise the NHS pay system published in "Agenda for Change" on 15 February 1999.

Standing Conference of Women's Organisations

Sir Richard Body: To ask the Secretary of State for Health how many meetings he has had with the Standing Conference of Women's Organisations in the last 12 months; and how many he had in the previous 12 months. [87646]

Ms Jowell: On 16 September 1997, I presented Mimi Johnson, representing the Standing Conference of Women's Organisations, with the Commonwealth Award for Excellence in Women's Health. There have been no

other meetings between Ministers and the Standing Conference of Women's Organisations (SCWO) in the past 24 months.

As a member of the Women's National Commission, the Government's official advisory body for women, SCWO has the opportunity to participate in consultation on specific issues requested by Government Departments, and to input their concerns on any other matters.

The Government are particularly grateful to SCWO for their help in publicising and promoting the Listening to Women campaign.

Representatives from the SCWO participated in regional events in Manchester (22 February 1999), Birmingham (26 March 1999), Reading (21 May 1999), and the International Women's Day Meeting in London on 8 March 1999, which were held as part of the Listening to Women consultation exercise. These meetings enabled a wide range of women to speak face to face with Government and were attended by either my noble Friend the Baroness Jay or myself, in our role of Ministers for Women.

Hospital Dispensing

Dr. Cable: To ask the Secretary of State for Health if he will introduce measures to ensure the centralised collection of information on medicines dispensed in hospitals. [87857]

Mr. Denham: "Information for Health", published in September 1998, provides the strategic direction for the development of information and Information Technology in the National Health Service to 2005. This charges Local Health Communities with developing Local Implementation Strategies for Information that indicate how the national objectives will be achieved. Part of the Local Implementation Strategy will be to show how all acute trusts will be able to achieve adequate Electronic Patient Record Systems by 2005. This includes the electronic ordering and record of supply of medicines. Providing the necessary piloting work is supportive, information about medicines dispensed in hospitals will then be capable of transmission over the NHSnet to support central analyses, as required.

Nutrition

Helen Jones: To ask the Secretary of State for Health (1) what estimate he has made of the number of patients who are malnourished on admission to hospital; [87282]

(2) what steps he is taking to improve standards of nutritional knowledge among medical and nursing staff; [87283]

(3) how many hospital trusts have published written nutritional standards; and if he will make a statement. [87284]

Ms Jowell *[holding answer 21 June 1999]:* Research studies have shown that 40 per cent. of adult patients and 15 per cent. of children are malnourished on admission to hospital. Several important reports about hospital nutrition have been published in the last decade which both educate hospital staff and contribute to development of local nutritional standards. We do not centrally record the various policy documents in many areas of care produced by each National Health Service trust but the Commission for Health Improvement would take hospital nutrition into account in its rolling programme of local service reviews.

Pharmaceutical Products (Parallel Imports)

Mr. Hammond: To ask the Secretary of State for Health (1) when he expects to announce proposals with regard to parallel imports of pharmaceutical products; [87969]

(2) when he intends to reply to the letter of 7 May from the Association of Pharmaceutical Importers. [87968]

Mr. Denham: My right hon. Friend the Secretary of State replied to the letter from the Association of Pharmaceutical Importers and we have no current plans to announce proposals with regard to parallel imports of pharmaceutical products.

NHS Staff (Morbidity Rates)

Mr. Gordon Prentice: To ask the Secretary of State for Health how many health service staff *(a)* died and *(b)* became ill as a result of contracting a disease or picking up an infection while in hospital for each year since 1990. [88123]

Mr. Denham: Under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 there is a statutory obligation on all employers to report illnesses or infections contracted through work to the Health and Safety Executive. The National Health Service Executive does not collect this information separately but seeks to ensure through guidance that employers comply with the legislation, and that all illnesses and infections falling within the categories laid down in the Regulations are reported.

Mental Health Provision

Mr. Kidney: To ask the Secretary of State for Health what information he has collected on the availability of acute service beds for mental health service patients. [88577]

Mr. Hutton: The table sets out the data for the latest year available.

Average daily number of available beds and average daily number of occupied beds, mental illness wards open overnight (i.e. 24 hours), England 1997–98

Ward classification	*Available beds*	*Occupied beds*
Children		
short stay	403	285
long stay	119	99
Elderly		
short stay	7,382	6,119
long stay	7,410	6,090
Other ages		
secure unit	1,921	1,566
short stay	14,458	13,188
long stay	4,908	4,300
Residential care	1,282	1,159

A and E Provisions (South Shropshire)

Mr. Gill: To ask the Secretary of State for Health if he will visit South Shropshire to examine the accident and emergency provisions in that area. [88847]

Mr. Hutton: My right hon. Friend the Secretary of State has no plans to visit South Shropshire. I visited Kidderminster Hospital accident and emergency department, which serves South Shropshire, on 28 May, and I met a local councillor from South Shropshire to discuss accident and emergency provision.

National Donor Register

Mrs. Gillan: To ask the Secretary of State for Health (1) what mechanism is in place for updating the National Donor Register to include those people who have changed their name to ensure that they remain on the register; [88712]

(2) how many kidneys have been donated, in the last year, as a direct result of the National Donor Register being contacted; [88710]

(3) how many times in the last year the National Donor Register has been contacted by the donor co-ordinators in order to find out if the potential donor is registered; [88709]

(4) if all the donors listed on the National Donor Register are still alive; and what mechanism is used to delete from the National Donor Register those potential donors who have died without donating; [88711]

(5) how many hon. Members are listed on the National Donor Register. [88714]

Mr. Hutton: It is not possible to say how many kidneys have been donated as a direct result of the National Health Service Organ Donor Register being contacted. During 1998, the last full calendar year for which figures are available, 78 kidneys were retrieved from donors whose names were included on the register.

The NHS Organ Donor Register is confidential and it is therefore not possible to say how many hon. Members are registered.

The NHS Organ Donor Register is reliant on registrants providing information when they change name or address. The mechanisms for doing so are the same as those for registering in the first place. These are accessible through vehicle driving licence applications and changes, through the UK Passport Agency on the issue of a new passport, when registering with a general practitioner or by using the leaflets available in libraries, GP surgeries and other public places.

Every effort is made to ensure that the NHS Organ Donor Register is accurate. In order to improve accuracy, links are being established with the Office for National Statistics to cross reference information about deaths. The NHS Organ Donor Register is held alongside the National Transplant Database. The Database cross references with the Register with the aim of ensuring that any donor whose name is recorded on the Register is removed on donation.

It is not possible to say how many times local transplant co-ordinators contact the United Kingdom Transplant Support Service Authority in order to access the Register as this information is not available centrally. There are currently 7.5 million names on the Register with 58,000 applications to be processed. In the vast majority of cases, families of potential donors are content that the donation should go ahead knowing that their relative wished to be an organ donor or had registered with the NHS Organ Donor Register.

NHS Prescriptions (Transparency Directive)

Mr. Lock: To ask the Secretary of State for Health if he will set out the criteria to exclude products from NHS prescription which he has notified to the European Commission to comply with Article 7 of Council Directive 89/105 EEC (the Transparency Directive). [88504]

Mr. Dobson: Since 1989 six criteria have been separately notified to the Commission. I have advised the Commission of the full set which currently apply, which are: first, under the Selected List Scheme, medicinal products in seventeen therapeutic categories which are excluded from prescription on the grounds that, on expert advice, they had no clinical or therapeutic advantage over other, cheaper, drugs in the following categories:

- mild to moderate painkillers
- indigestion remedies
- laxatives
- cough and cold remedies
- vitamins
- tonics
- benzodiazepine sedatives and tranquillisers
- antidiarrhoeal drugs
- drugs for allergic disorders
- hypnotics and anxiolytics
- appetite suppressants
- drugs for vaginal and vulval conditions
- contraceptives
- drugs used in anaemia
- topical anti-rheumatics
- drugs acting on the ear and nose
- drugs acting on the skin.

Secondly, products may be considered as "borderline substances" which are not truly medicinal products with clinical or therapeutic value and are excluded from National Health Service prescription on that ground.

Thirdly, as well as being freely available on sale over the counter to the general public, the cost to the NHS if the product(s) were to be supplied on prescription could not be justified at any price likely to be economic to the manufacturer and that the supply of the product is not considered a priority for the use of the limited resources available to the NHS.

Fourthly, that products which none the less may meet a legitimate clinical or therapeutic need when properly prescribed, are subject to misuse by drug misusers, and such misuse, or the manner in which the product is administered by drug misusers, gives rise to the risk of physical or mental morbidity and alternative products are available to meet all legitimate clinical or therapeutic needs.

Fifthly, a medicinal product or a category of medicinal products may be excluded entirely from supply on NHS prescription. It may alternatively be excluded except in specified circumstances, or except in relation to specified conditions or categories of condition, or specified categories of patient. A medicinal product or a category of

them may be so excluded where the forecast aggregate cost to the NHS of allowing the product (or category of products) to be supplied on NHS prescription, or to be supplied more widely than the permitted exceptions, could not be justified having regard to all the relevant circumstances including in particular: the Secretary of State's duties pursuant to the NHS Act 1977 and the priorities for the expenditure of NHS resources.

Sixthly, products which comprise an injection device prefilled with a drug may be excluded from supply on NHS prescription if the same drug is available and can be used more economically in a container which may be used in conjunction with a refillable injection device.

London Chest Hospital

Mr. Mackinlay: To ask the Secretary of State for Health what are the terms of South Essex Health Authority's contract with London Chest Hospital in relation to heart by-pass operations; and if he will set out the annual number of operations (i) covered by the contract and (ii) performed, for the health authority over the past five years; and if he will make a statement. [88175]

Mr. Denham: The information available is given in the table.

Coronary artery by-pass grafts performed on South Essex Health Authority residents by the Royal Hospitals Trust

	Operations	
Year	*Actual number performed*	*Planned within service level agreement*
1994–95	219	[1]n/a
1995–96	165	150
1996–97	120	124
1997–98	189	120
1998–99	212	126
1999–2000	—	233

[1] Prior to the establishment of the Royal Hospitals Trust

Sources:

South Essex Health Authority—actual number performed

Royal Hospitals NHS Trust—planned

Speech and Language Therapists

Mr. Streeter: To ask the Secretary of State for Health if he will set out the reasons for the disparity in remuneration between speech and language therapists and other health care professionals of similar qualification. [88625]

Mr. Denham: Basic pay rates for speech and language therapists have increased by between 158 per cent. (minimum) and 170 per cent. (maximum) since 1984, more than those for any other professional staff group in the National Health Service. Qualification is one of many factors influencing decisions on pay. We published proposals to modernise the National Health Service pay system on 15 February 1999. Our aim is a pay system which gives employers effective ways of rewarding people for taking on more responsibility and developing new skills.

Correspondence

Mr. Winnick: To ask the Secretary of State for Health when the hon. Member for Walsall, North will receive replies to his letters of 6 May (ref. POH(2)5608/22) and 18 May (ref. POH(2)5608/22) regarding constituents. [88618]

Mr. Denham: I replied to both of my hon. Friend's letters on 24 June.

EDUCATION AND EMPLOYMENT

Active Schools Co-ordinators

Ms Stuart: To ask the Secretary of State for Education and Employment what role there will be for the New Deal in the recruitment by Sport England of the new Active Schools co-ordinators. [87221]

Mr. Andrew Smith: Sport England can employ people through the New Deal programme in the same way as any other employer, providing they satisfy the requirements of the programme. We hope that they will do so.

School Visits (Insurance Cover)

Mr. Boswell: To ask the Secretary of State for Education and Employment what advice he has circulated to schools in connection with the desirability of insurance cover for *(a)* residential courses involving at least one night away from home, *(b)* day visits starting and concluding within school hours and *(c)* day visits extending beyond normal school hours; and what assessment he has made of difficulties for schools in meeting insurance liabilities in connection with such courses. [88235]

Mr. Charles Clarke: The Department's 1998 publication, "Health and Safety of Pupils on Education Visits: A Good Practice Guide", strongly advises group leaders to ensure that adequate insurance is in place for all kinds of school visit, no matter when or where the visit is made. It recommends them to clarify with their LEA what insurance already exists and what additional or special cover may be needed, and gives examples. The booklet was produced after an extensive consultation, which did not suggest that schools found it hard to insure visits or meet the costs.

Bett Report

Mr. Boswell: To ask the Secretary of State for Education and Employment when he plans to respond to the Bett report on higher education remuneration. [88624]

Mr. Mudie: The independent review of higher education pay and conditions was established by the higher education employers: it is for them and the relevant trades unions to respond to the recommendations.

Further Education Funding Council

Mr. Boswell: To ask the Secretary of State for Education and Employment when the Further Education Funding Council expects to announce firm allocations of finance to further education colleges to promote proposed curriculum changes. [88234]

Mr. Mudie: The Further Education Funding Council intends to consult shortly on its proposals for ensuring that the funding methodology reflects the proposed curriculum changes arising from the Qualifying for Success policies. Decisions on this will be taken by the Council at its

December meeting this year, which will then be reflected in the provisional allocations for the 2000–01 academic year, to be issued to colleges in March 2000.

Computer Systems

Mr. Boswell: To ask the Secretary of State for Education and Employment what representations he has received from local educational authorities about difficulties in modifying computer systems to reflect changes in the system of student support. [88623]

Mr. Mudie: We have received no representation from local education authorities about difficulties in modifying computer systems.

The upgrades to the computer systems are needed to enable the local education authorities to administer the new Student Support arrangements. The majority of the system upgrades are being handled by three IT suppliers, while 40 local education authorities have in house IT teams.

The new arrangements represent a very big change for all those concerned—LEAs, the Student Loans Company, Higher Education Institutions and students and their families. As with any new system it will take time to bed in. Officials in the Department have engaged all these parties in designing the new system, setting the deadlines and agreeing all other features of the new student loan arrangements. All of us are concerned to ensure that students receive their loans at the start of the term.

We have been informed by the IT suppliers that by mid July the local education authorities would have received all the upgrade required to administer the new Student Support arrangements.

FE Lecturers (Pay and Conditions)

Mr. Boswell: To ask the Secretary of State for Education and Employment what recent representations he has received from the National Association of Teachers in Further and Higher Education concerning pay and conditions for further education lecturers; and what reply he has sent. [88236]

Mr. Mudie: My right hon. Friend the Secretary of State met recently with representatives of NATFHE to discuss issues they wished to raise about pay and conditions for further education lecturers. We have received a number of letters from hon. Members enclosing copies of a letter which NATFHE members had been encouraged to send. We have replied to those representations, noting that we are providing very substantial extra funds for further education—£725 million over the next two years. Colleges are responsible for the pay and conditions of their staff. Nevertheless, we take every opportunity to encourage unions and employers to work together to determine a sensible way forward under the improved circumstances we have created.

FE Teaching Staff

Mr. Swayne: To ask the Secretary of State for Education and Employment what recent representations he has received regarding the pay and conditions of teaching staff in the further education sector; and if he will make a statement. [88063]

Mr. Mudie: Ministers have recently met representatives of the National Association of Teachers in Further and Higher Education, the Sixth Form Colleges Employers Forum, the National Joint Council for Sixth Form Colleges and the Association of Colleges and have discussed issues about the pay and conditions of further education lecturers. We have received a number of letters from hon. Members, enclosing copies of a letter which NATFHE members had been encouraged to send. We have replied to those representations, noting that we are providing very substantial extra funds for further education—£725 million over the next two years. Colleges are responsible for the pay and conditions of their staff. Nevertheless, we take every opportunity to encourage unions and employers to work together to determine a sensible way forward under the improved circumstances we have created.

FE Colleges

Mr. Swayne: To ask the Secretary of State for Education and Employment when he plans to publish a White Paper on the future of further education colleges and TECs; and if he will make a statement. [88005]

Mr. Mudie: We will be announcing our proposals for post-16 education and training shortly and will make a statement at that time.

Ministerial Meetings (Ireland)

Mr. Matthew Taylor: To ask the Secretary of State for Education and Employment on how many occasions Ministers in his Department have held meetings with Ministers and officials of the Irish Government since 1 January 1998 indicating the dates and locations, the Ministers involved and the names of the Irish Ministers and officials in each case. [87427]

Mr. Mudie: There have been two meetings with Ministers and officials of the Irish Government since 1 January 1998.

My right hon. Friend the Secretary of State met Michael Martin, the Irish Minister for Education and Science, at a bilateral on education issues in Dublin in October 1998. On the same day he also met Mary Harney, Tanaiste and Minister for Enterprise, Trade and Employment to discuss employment issues. Three DfEE officials accompanied the Secretary of State.

In addition my hon. Friend the Minister for School Standards spoke at an Anglo-Irish International Conference on Information and Communication Technology in Dublin in May 1999. Tom Kit, the Irish Minister for Labour and Trade Consumer Affairs, also spoke at the conference.

Ministers have also met their counterparts at meetings on European Union business.

Booster Classes

Charlotte Atkins: To ask the Secretary of State for Education and Employment what funding is made available to schools to fund year 6 booster classes. [87678]

Ms Estelle Morris: Currently, £18 million has been made available for schools to run additional literacy and numeracy classes. We will make an announcement shortly about funding for 1999–2000 and beyond.

Post-16 Education

Mr. Paul Marsden: To ask the Secretary of State for Education and Employment, pursuant to his answer of 25 May 1999, *Official Report*, columns *99–100*, on post-16 education, when he plans to announce his proposals for post-16 education. [87866]

Mr. Mudie: We plan to announce our proposals for post-16 education and training shortly.

Mobile Cranes

Ms Walley: To ask the Secretary of State for Education and Employment what public funding is available towards the costs of training drivers of mobile cranes with particular reference to requirements to meet LGV licence conditions; and if he will make a statement. [87900]

Mr. Mudie: Training courses for drivers of mobile cranes are included in Schedule 2(a) of the Further and Higher Education Act 1992 and are therefore eligible for funding from the Further Education Funding Council.

Devon Youth Music Service

Sir Peter Emery: To ask the Secretary of State for Education and Employment what steps his Department will take to resolve the outstanding issues concerning Devon County Council's funding for the Devon Youth Music Service. [88009]

Ms Estelle Morris: The Government provided, through the Music Standards Fund, funding to Devon Local Education Authority for centrally provided music services. Subsequent arrangements between the LEA and Devon Youth Music are not a matter for the Department for Education and Employment. None the less, officials have been in contact with both the County Council and Devon Youth Music to offer advice.

European Social Funds (Wales)

Mr. Wigley: To ask the Secretary of State for Education and Employment when he plans to transfer responsibility for payments and financial management of European social funds to the National Assembly for Wales as part of the regionalisation programme for the European Social Fund; and if he will make a statement. [87995]

Mr. Andrew Smith: My right hon. Friend, the Secretary of State for Wales wrote to me on 23 February 1999 accepting in principle responsibility for these payments and the financial management of the Welsh European Social Fund Programmes from the start of the new period in January 2000.

Education Initiatives (Funding)

Mr. Don Foster: To ask the Secretary of State for Education and Employment if he will list the education initiatives launched since May 1997 under which specific grants are allocated *(a)* through the Standards Fund and *(b)* by other means, stating in each case and for each financial year the funding provided by central Government. [88170]

Ms Estelle Morris: The following table lists the education initiatives launched since May 1997 for which funding is allocated to schools and local education authorities through the Standards Fund and other specific grants showing for each initiative the amount of funding provided by the Government in each financial year. The figures for the Standards Fund do not include Local Education Authorities' contributions. For 1999–2000, the 5.7 per cent. increase in Education Standard Spending Assessment included provision for Authorities' contributions to the Standards Fund.

Specific grants supporting Department of Education and Employment (DfEE) initiatives launched since May 1997

£ million

DfEE specific grant	*1997–98*	*1998–99*	*1999–100*
Standards Fund			
School Effectiveness/Improvement	—	71.5	126.5
Induction for Newly-qualified Teachers	—	2.4	—
Baseline Assessment	—	4.7	—
National Curriculum Assessment	—	11.4	—
Effective use of National Curriculum Results	—	5.6	—
School Leadership	—	9.6	15.0
Advanced Skills Teachers	—	1.2	9.4
Local Recruitment Measures	—	—	2.9
Early Years Training and Development 4 year olds	—	4.5	4.5
Early Years Training and Development 3 year olds	—	—	1.5
Early Excellence Centres	—	9.0	9.0
National Literacy Strategy—Primary	—	24.6	24.4
Summer Literacy Schools and Key Stage 3 Literacy	—	3.7	6.5
National Numeracy Strategy—Primary	—	—	24.8
National Numeracy Strategy—Key Stage 3	—	—	0.5
Summer Numeracy Schools	—	0.3	1.5
Playing for Success	—	1.5	1.5
Family Literacy	—	2.0	2.5
Family Numeracy	—	—	0.5
Local Authority Lifelong Learning Development Plans	—	—	4.5
Qualifications	—	9.5	9.5
Work Related Learning	—	2.0	2.0
Special Educational Needs	—	9.0	17.5
Social Inclusion: Pupil Support	—	11.3	28.7
Drug Prevention	—	3.5	3.7

Specific grants supporting Department of Education and Employment (DfEE) initiatives launched since May 1997

£ million

DfEE specific grant	*1997–98*	*1998–99*	*1999–100*
Youth Service	—	1.0	1.0
National Grid for Learning	—	51.0	52.2
School Security	—	15.0	16.4
Beacon Schools	—	1.3	4.5
Specialist Schools	—	19.3	43.9
Education of Traveller and Displaced Persons	—	—	8.9
Expanding central music services	—	—	6.2
Protecting central music services	—	—	28.9
Ethnic Minority Pupil Achievement	—	—	81.6
Access Fund for pupils aged 16–19 in schools	—	0.0	6.0
Year 6 Booster Classes	—	13.5	4.0
Asset Management Plans	—	—	7.0
Health Education Partnerships: Pilot projects	—	0.6	2.0
Numeracy Consultants and Leading Maths Teachers	—	0.6	—
Portable CD Rom Systems for SEN Coordinators	—	4.0	—
Books for Schools	23.5	73.5	—
Childrens Parliament	—	0.04	—
Reduction of Infant Class Sizes (Revenue)	—	22.0	72.0
Total Standards Fund	23.5	367.1	630.5
Capital grants paid through the Standards Fund			
Removal of Outside Toilets	—	16.5	—
Energy Management	—	13.2	—
New Deal for Schools	83.0	165.0	225.0
Reduction of Infant Class Sizes (Capital)	—	45.4	80.0
Total Capital	83.0	240.1	305.0
Other specific grants			
Education Action Zones	—	11.9	30.0
Nursery Education Grant	637.0	130.0	—
Total other specific grants	637.0	141.9	30.0
Total All Grants	743.5	749.1	965.5

[1] Part of School Improvement Grant

Notes:

1. Grant for the Education of Traveller and Displaced Persons was in existence prior to May 1997 but became a Standards Fund grant in 1999–2000.
2. Ethnic Minority Pupil Achievement replaced the schools' education element of the Home Office Section 11 grant.
3. Both grants for the reduction of class sizes will be paid through the Standards Fund mechanism in 1999–2000 but are covered by their own Regulations.
4. The Books for Schools grant includes provision for grant maintained schools paid via the Funding Agency for Schools.
5. In 1998–99 a large proportion of nursery education funding was channelled through the Revenue Support Grant.

Class Sizes

Dan Norris: To ask the Secretary of State for Education and Employment how many children aged five to seven years in *(a)* Bath and North-East Somerset and *(b)* South Gloucestershire were in classes of more than 30 pupils in each year from 1992 to date. [88217]

Ms Estelle Morris: The available information is shown in the following table.

The Government have pledged to reduce infant class sizes so that no 5, 6 or 7-year-old is in an infant class of more than 30 pupils. The number of infants in classes larger than 30 has already been reduced by some 130,000 between January 1998 and January 1999.

Number of pupils in key stage 1 classes with 31 or more pupils taught by one teacher in maintained primary schools

	Bath and North East Somerset	*South Gloucestershire*
January 1996	1,100	3,361
January 1997	952	3,752
January 1998	1,211	3,391
January 1999 (provisional)	1,019	1,402

Dan Norris: To ask the Secretary of State for Education and Employment how many classes for pupils aged five to seven years in *(a)* Bath and North-East Somerset and *(b)* South Gloucestershire had more than 30 pupils in each year from 1992 to date. [88218]

Ms Estelle Morris: The available information is shown in the table.

The Government have pledged to reduce infant class sizes so that no 5, 6 or 7-year-old is in an infant class of more than 30 pupils. The number of infants in classes larger than 30 has already been reduced by some 130,000 between January 1998 and January 1999.

Number of key stage 1 classes with 31 or more pupils taught by one teacher in maintained primary schools

	Bath and North East Somerset	*South Gloucestershire*
January 1996	34	103
January 1997	29	114
January 1998	37	103
January 1999 (provisional)	31	43

Dan Norris: To ask the Secretary of State for Education and Employment how many classes for pupils aged five to seven years in *(a)* South Gloucestershire and *(b)* Bath and North-East Somerset had 30 or fewer pupils in each year from 1992 to date. [88213]

Ms Estelle Morris: The available information is shown in the following table.

The Government have pledged to reduce infant class sizes so that no five, six or seven-year-old is in an infant class of more than 30 pupils. The number of infants in classes larger than 30 has already been reduced by some 130,000 between January 1998 and January 1999.

Number of key stage 1 classes with 30 or fewer pupils taught by one teacher in maintained primary schools

	Bath and North East Somerset	*South Gloucestershire*
January 1996	146	211
January 1997	161	205
January 1998	166	226
January 1999 (provisional)	165	308

Teaching Consultation

Mr. Sawford: To ask the Secretary of State for Education and Employment when he expects to announce the results of his consultation on teaching. [88165]

Ms Estelle Morris: An announcement following the consultation exercise on the Green Paper, "Teachers: meeting the challenge of change" will be made shortly.

Correspondence

Mr. Rowe: To ask the Secretary of State for Education and Employment when he will reply to the letter from the hon. Member for Faversham and Mid-Kent dated 24 April about the definition of a parent in a ballot on grammar schools. [88196]

Mr. Mudie: A reply has been issued today, Monday 28 June 1999.

TREASURY

Brazil

Mr. Kidney: To ask the Chancellor of the Exchequer what assessment he has made of the effectiveness of the United Kingdom's contribution to Brazil's financial rescue package, with particular reference to the impact of the adjustment policies required of the Brazilian Government on Brazilian citizens. [87882]

Ms Hewitt: Financial tensions in Brazil have eased significantly following the IMF-led international financial support package agreed last year, and this has allowed Brazilian interest rates to fall. The UK Government directly contributed $\$1\frac{1}{4}$ billion to the financial support package. The UK will continue to play an active role in monitoring Brazil's performance under its IMF programme. Continued adherence under the IMF programme is essential if the recovery in investor confidence is to be maintained.

The IMF programme requires Brazil to narrow its large fiscal deficit. This fiscal adjustment will have a negative impact on growth in the short term but it is necessary if stability is to be restored. Macroeconomic stability is an important precondition for a sustainable economic recovery which will raise living standards and should benefit all sections of society. The Brazilian Government, the IMF and the World Bank have worked together closely to ensure that the impact of the adjustment programme on the poor and vulnerable is minimised. The World Bank have undertaken a number of projects in Brazil with a social dimension.

Women's Organisations (Consultation)

Jackie Ballard: To ask the Chancellor of the Exchequer if he will list the women's organisations which have been consulted over proposed legislation by his Department during this session; and if their responses have been published. [86990]

Ms Hewitt: The Government are committed to making sure that policies are inclusive and take full account of the needs and experience of all those affected by them. Guidelines on Policy Appraisal for Equal Treatment published in November 1998 commit policy makers to assessing how proposals affect different groups of people.

The Treasury encourages a wide-ranging consultation, in particular through the Pre-Budget consultation process. The Pre-Budget Report sets out the direction of economic policy and outlines measures under consideration in the run-up to the Budget. A range of organisations have submitted responses to the Pre-Budget and other consultations. Some individual groups have published responses to the Pre-Budget Report and Budget 99, including the Women's Budget Group. Treasury Ministers and officials also consult regularly with the Women's Budget Group on a range of issues, through a series of meetings and seminars.

Withholding Tax

Mr. Cohen: To ask the Chancellor of the Exchequer if he will assess the impact of (i) a 20 per cent. withholding tax *(a)* with and *(b)* without, an exemption on interest earnings abroad and (ii) a requirement for the provision of information on capital income to the tax authority of a relevant country, on (A) levels of fraud, (B) money-

laundering, (C) reduced bank transparency and (D) the movement of funds to overseas tax havens; and if he will make a statement. [88399]

Dawn Primarolo: We are doing a great deal of detailed work on an assessment of the impact of the draft European Commission Directive on the taxation of interest from savings—in close co-operation with the City of London. We have made it clear that we will not agree to any Directive which damages our financial markets or which would require the United Kingdom to introduce a withholding tax.

The government strongly support international initiatives, through the EU, OECD, the G7 and the Financial Action Task Force on money laundering, to improve the international sharing of information relevant to inquiries into financial crime, tax evasion and avoidance.

HOME DEPARTMENT

Personal Data Transfers

Mrs. Anne Campbell: To ask the Secretary of State for the Home Department in what respect the Safe Harbour proposal on personal data transfers differs from the rules that will apply under the 1995 EC Data Protection Directive. [88107]

Mr. George Howarth: Consistent with the Directive's requirement for "adequate" rather than "equivalent" protection in third countries, the draft "safe harbour" proposals do not reproduce all the Directive's detailed provision. However, they contain the key components of the data protection regime created by the Directive: provision for individuals to be informed; restrictions on the use and disclosure of individuals' data without consent; requirements for data security and data quality; individuals' rights of access and rectification and enforcement arrangements. The proposals are still under discussion.

Trespassers

Mr. Key: To ask the Secretary of State for the Home Department on how many occasions since 1994 and in which police authority areas, section 61 of the Criminal Justice and Public Order Act 1994 has been used; and if he will make a statement. [88093]

Mr. Boateng: The use of powers to direct trespassers to leave land under section 61 of the Criminal Justice and Public Order Act 1994 is an operational matter for the senior officer present at the scene. Records are not maintained centrally on the numbers of occasions on which such powers are used.

Stonehenge

Mr. Key: To ask the Secretary of State for the Home Department if he will make it his policy to reimburse from central Government the cost to Wiltshire local taxpayers of policing and protecting the Stonehenge World Heritage Area; and if he will make a statement. [88092]

Mr. Boateng: Following the Comprehensive Spending Review, the budget of Wiltshire Police Authority will increase this year by 3.4 per cent. to £68.9 million, which is above the national average increase of 3.1 per cent. Around 80 per cent. of the police authority's spending comes from central Government.

The Government congratulate Wiltshire Constabulary on their handling of the disorder at Stonehenge on 21 June. Police forces can from time to time face particular demands on their resources. We would normally expect forces to meet any additional costs from within their existing budgets, or from contingency reserves.

Passports

Mr. Bob Russell: To ask the Secretary of State for the Home Department what is the time-scale for processing passport applications at the Peterborough Passport Office received *(a)* by post and *(b)* by special arrangement with Post Office Counters. [88166]

Mr. Mike O'Brien: The processing time for passport applications received by the Peterborough Passport Office by post is 33 days and for applications received via Post Office Counters is seven days.

The Passport Agency is currently prioritising applications by customers' declared travel dates, and the processing time for postal work at the Peterborough Passport is for non-urgent applications.

Applications received via Post Office Counters are easier to process, and generally have more urgent travel dates. Non-urgent applications received by partners would not be given priority over urgent postal applications.

Mr. Bob Russell: To ask the Secretary of State for the Home Department what arrangements the UK Passport Agency has made with Post Office Counters for fast-tracking the processing of passport applications. [88164]

Mr. Mike O'Brien: In view of its current operational problems, the Agency has changed the arrangement with Post Office Counters Ltd., and the Liverpool Office is now dealing with applications from them in 20 working days, and from its five other passport offices in 15 working days.

Due to its current backlog of work, the Agency is prioritising all applications by travel dates and there are delays in some offices in processing non-urgent work received from the Post Office.

Mr. Lidington: To ask the Secretary of State for the Home Department what estimate he has made of the number of telephone calls from members of the public to each of the Passport Agency's offices which were left unanswered in each of the last 12 months. [88506]

Mr. Mike O'Brien: The information on the number of calls receiving a courtesy message during the last 12 months is shown in the table. This record represents the nearest equivalent to the number of calls left unanswered. These figures include repeat calls. The Passport Agency cannot at present determine the proportion of repeat calls. These figures are collated centrally and cannot be broken down to an estimate for each office in any accurate way.

Month	*Total*
1998	
June	288,000
July	308,000
August	131,000
September	100,000
October	90,000
November	80,000
December	95,000
1999	
January	118,000
February	210,000

Month	Total
March	452,000
April	460,000
May	1,110,000

Mr. Lidington: To ask the Secretary of State for the Home Department how many members of the public the Passport Agency has agreed to pay *(a)* compensation and *(b)* ex-gratia payments to during the last 12 months; and what is the total sum of money involved. [88513]

Mr. Mike O'Brien: The Passport Agency's compensation policy is to reimburse the reasonable out-of-pocket expenses incurred by customers as a direct consequence of clear operational errors, or failure to provide an acceptable level of service by means of an ex-gratia payment.

Each case is considered carefully on its merits. It is not the Agency's normal policy to make compensation payments for distress and inconvenience arising from such errors and failures. Records of compensation payments are not split into compensation and ex-gratia categories.

The information requested on compensation payments made by the Agency in the last 12 months is shown in the table.

Month	Number of complaints where compensation paid	Total compensation paid (£)
1998		
June	160	5,256
July	266	7,460
August	244	6,079
September	188	7,234
October	194	7,453
November	180	8,127
December	179	7,166
1999		
January	181	5,785
February	196	7,955
March	245	5,453
April	256	7,748
May	219	7,551

Mr. Lidington: To ask the Secretary of State for the Home Department how many applications for *(a)* new passports and *(b)* renewed passports the Passport Agency has received in each month since January 1996. [88783]

Mr. Mike O'Brien: The information requested on the numbers of applications for new and renewal passports is set out as follows:

(a) Applications for new passports

Month	1996	1997	1998	1999
January	251,416	188,230	190,490	152,392
February	248,914	207,815	250,487	217,924
March	277,060	233,848	238,029	326,094
April	256,504	216,327	192,314	304,653
May	382,388	283,733	268,357	306,083
June	330,684	267,757	244,900	—
July	307,225	248,624	233,388	—
August	276,812	234,103	230,835	—
September	162,861	140,485	198,630	—
October	141,095	126,325	124,095	—
November	149,160	126,034	162,103	—
December	72,121	67,947	95,493	—
Total	2,856,240	2,341,128	2,429,121	111,307,146

(b) Applications for renewed passports

Month	1996	1997	1998	1999
January	200,740	182,316	167,118	133,694
February	167,357	176,278	202,910	176,531
March	178,702	180,609	176,988	225,903
April	166,004	157,767	167,118	198,302
May	211,634	189,558	202,910	201,010
June	172,632	166,749	176,988	—
July	164,136	156,418	168,073	—
August	163,782	165,872	179,665	—
September	167,538	111,095	109,214	—
October	102,799	108,695	96,898	—
November	124,729	116,654	131,618	—
December	58,565	61,819	67,570	—
Total	1,878,609	1,773,830	1,847,070	935,440

Mr. Lidington: To ask the Secretary of State for the Home Department if he will list in respect of each office of the Passport Agency the number of unprocessed passport applications which were outstanding at the end of each month from January 1996 to date. [88511]

Mr. Mike O'Brien: The information requested on the numbers of unprocessed passport applications outstanding at the end of each month from January 1996 is set out in the table.

Month	London	Liverpool	Peterborough	Newport	Glasgow	Belfast	Total
January 1996	5,574	34,400	22,888	26,576	16,878	4,572	111,488
February 1996	5,053	40,450	16,583	20,444	20,457	5,570	108,557
March 1996	3,031	39,272	17,230	27,627	18,689	6,670	112,519
April 1996	3,790	45,565	30,442	33,885	31,145	9,064	153,891
May 1996	6,554	53,689	36,175	36,409	36,181	7,674	176,682
June 1996	5,244	52,807	37,277	39,236	41,368	8,230	184,162
July 1996	3,916	48,820	38,450	41,798	46,739	5,645	185,368
August 1996	2,615	32,717	15,019	25,708	22,982	3,349	102,390
September 1996	2,641	36,859	23,636	25,402	23,855	1,682	114,055
October 1996	4,072	29,323	21,206	18,945	16,225	3,593	93,394
November 1996	2,294	15,079	10,384	12,905	13,321	2,391	56,374
December 1996	2,279	12,399	6,435	6,654	7,821	289	35,877

Month	London	Liverpool	Peterborough	Newport	Glasgow	Belfast	Total
January 1997	3,512	39,153	14,526	22,296	18,499	2,791	100,777
February 1997	3,250	41,716	25,554	29,847	28,774	5,400	134,543
March 1997	1,620	52,395	29,042	33,435	24,798	4,265	145,555
April 1997	2,723	59,353	35,593	45,757	36,037	4,798	184,261
May 1997	3,133	67,690	51,279	40,438	39,413	6,302	208,255
June 1997	4,796	69,589	52,393	60,078	46,914	3,353	237,123
July 1997	4,014	67,217	53,356	57,029	49,989	1,860	233,467
August 1997	3,389	51,004	31,074	31,789	32,942	5,372	155,525
September 1997	3,166	31,489	20,059	28,760	18,026	2,784	105,284
October 1997	2,300	28,842	18,277	21,997	22,368	3,415	97,199
November 1997	2,766	20,990	13,536	19,682	21,376	5,059	83,409
December 1997	1,944	23,648	13,924	16,613	19,556	2,612	78,297
January 1998	2,382	31,808	32,012	34,906	31,169	6,290	139,017
February 1998	2,742	59,798	41,843	37,735	36,090	7,309	185,517
March 1998	3,724	70,242	57,172	47,046	58,959	6,713	243,856
April 1998	3,640	49,089	38,577	43,214	46,810	7,896	189,226
May 1998	4,205	48,124	7,636	27,452	25,846	7,733	120,996
June 1998	5,456	74,155	58,238	68,422	48,836	8,018	263,125
July 1998	4,179	70,527	48,272	56,388	49,012	11,373	239,751
August 1998	2,439	26,348	23,744	26,597	34,144	11,440	124,712
September 1998	3,775	2,907	41,606	20,827	47,376	3,314	119,805
October 1998	7,268	1,867	38,250	3,125	42,435	4,903	97,848
November 1998	7,048	27,419	13,986	3,494	55,470	9,165	116,582
December 1998	4,205	48,124	7,636	27,452	25,846	7,733	120,996
January 1999	5,249	31,173	39,966	31,380	40,532	18,610	166,910
February 1999	8,095	81,396	60,206	57,540	58,605	14,351	280,193
March 1999	9,809	71,387	68,784	53,817	72,810	24,417	301,024
April 1999	9,530	97,030	90,403	61,992	102,102	36,016	397,073
May 1999	11,684	143,093	934,411	383,751	127,416	25,049	487,658

Mr. Lidington: To ask the Secretary of State for the Home Department what, in each month from January 1994 to date and in respect of each of the Passport Agency's six offices, was the time taken to process *(a)* new applications and *(b)* renewal applications; and if he will make a statement. [88627]

Mr. Mike O'Brien: The table shows the average maximum times taken at each of the Passport Agency's offices to process all straightforward, properly completed applications in each month from January 1994. The Passport Agency does not collate this information separately for new and renewal applications and the figures represent the maximum turnaround times for all applications:

Average maximum processing times in working days

	London	Liverpool	Peterborough	Newport	Glasgow	Belfast
1994						
January	2	5	3	4	3	3
February	3	8	5	7	4	4
March	3	8	5	6	6	6
April	2	7	5	5	7	7
May	3	13	7	9	11	8
June	4	15	9	11	15	8
July	5	13	10	10	13	7
August	4	11	7	7	7	4
September	1	8	4	8	4	6
October	1	4	5	3	5	6
November	3	3	3	1	5	2
December	5	2	1	1	2	1
1995						
January	2	4	3	4	4	4
February	1	6	4	6	6	6
March	2	5	5	5	6	4
April	2	6	5	6	7	6
May	3	7	6	6	10	7
June	2	11	8	7	13	6
July	3	10	8	8	14	10
August	5	9	7	6	9	8
September	5	9	6	7	7	5
October	4	7	6	8	8	8
November	4	3	4	4	3	4
December	5	4	2	3	5	2

Average maximum processing times in working days

	London	Liverpool	Peterborough	Newport	Glasgow	Belfast
1996						
January	4	5	5	5	5	4
February	3	5	3	4	4	3
March	2	5	3	5	5	4
April	4	5	5	5	6	5
May	2	6	6	6	7	6
June	2	7	8	9	10	7
July	2	8	8	10	12	8
August	1	7	6	7	10	5
September	1	7	6	6	7	5
October	5	8	7	7	9	6
November	3	5	5	6	5	4
December	2	3	3	4	1	4
1997						
January	2	5	3	3	5	3
February	2	7	4	5	8	6
March	2	8	6	7	7	8
April	3	8	7	7	8	7
May	2	10	8	8	10	6
June	3	10	10	9	10	7
July	5	14	12	13	14	7
August	6	14	11	12	16	7
September	3	11	8	10	11	5
October	3	8	7	12	9	5
November	2	7	6	7	7	6
December	3	8	8	10	10	6
1998						
January	4	6	7	7	8	7
February	5	7	8	7	9	8
March	5	9	10	9	11	7
April	5	9	7	8	12	7
May	5	10	10	12	14	8
June	5	14	14	21	23	10
July	5	22	15	20	20	10
August	4	19	11	13	12	13
September	2	6	8	6	13	9
October	4	9	14	5	15	6
November	3	17	7	2	16	9
December	2	17	4	15	23	9
1999						
January	2	16	5	12	11	8
February	4	20	11	20	10	14
March	6	25	12	28	16	16
April	6	33	15	36	18	21
May	5	46	27	33	26	31

The Passport Agency has, for a number of years, had a very good record of delivering services. The average annual maximum processing time on straightforward properly completed applications has been under 10 working days in each of the financial years from 1994–95 to 1997–98.

Mr. Lidington: To ask the Secretary of State for the Home Department what estimate he has made of the revenue which the Passport Agency will forgo in the current financial year as a result of the extension of the period of passport validity free of charge. [88510]

Mr. Mike O'Brien: The Passport Agency's estimate of the income forgone as a result of the use of two year exceptional extensions to clear quickly, straightforward renewal applications is £1.08 million, based on an average fee of £18. The income will be recouped in two years.

The cost of processing an exceptional extension is much less than a full 10-year passport. Hence, in terms of matching income and expenditure the loss is much less than £18.

Mr. Lidington: To ask the Secretary of State for the Home Department what has been the average period of time for determining passport applications in each of the Passport Agency's six offices in each month from January 1996 to date. [88515]

Mr. Mike O'Brien: The information requested is shown in the table.

Average processing time in working days

Month	*Belfast*	*London*	*Newport*	*Liverpool*	*Peterborough*	*Glasgow*
1996						
January	4	4	5	5	5	4
February	3	3	4	5	3	4
March	4	2	5	5	3	5
April	5	4	5	5	5	6
May	6	2	6	6	6	7
June	7	2	9	7	7	10
July	8	3	10	8	8	12
August	5	1	7	7	6	10
September	5	1	7	7	5	7
October	6	5	7	8	7	9
November	4	3	6	5	4	5
December	4	2	4	3	3	1
1997						
January	3	2	3	5	3	5
February	6	2	5	7	4	8
March	8	2	7	8	6	7
April	7	3	7	8	7	8
May	6	3	8	9	8	9
June	7	3	9	10	10	11
July	7	5	13	14	12	14
August	7	6	12	14	11	16
September	5	3	10	11	8	11
October	4	3	12	8	7	9
November	6	2	7	7	6	7
December	6	3	10	8	8	10
1998						
January	7	4	7	6	7	8
February	8	5	7	7	8	9
March	8	5	9	9	10	11
April	7	5	8	9	7	12
May	9	5	12	10	10	14
June	9	5	21	14	14	23
July	10	5	21	22	15	20
August	13	4	13	19	11	13
September	9	2	6	6	8	13
October	6	4	6	9	13	15
November	8	4	3	17	9	16
December	9	2	15	14	4	22
1999						
January	8	2	12	16	5	11
February	14	4	20	20	11	10
March	16	6	28	25	12	16
April	21	6	36	33	15	18
May	31	5	33	46	27	26
June[1]	36	6	40	38	34	36

[1] Up to week ending 20 June 1999

Mr. Lidington: To ask the Secretary of State for the Home Department how many staff are employed currently *(a)* in total and *(b)* broken down by grade at each of the Passport Agency's offices. [88802]

Mr. Mike O'Brien: The total number of staff currently employed in the Passport Agency is 1,828. The breakdown by grade is shown in the table:

Grade	*Number*
Grade 5	2
Grade 6	2
Grade 7	11
Senior Executive Officer	18
Higher Executive Officer	65
Executive Officer	194
Administrative Officer	870
Administrative Assistant	666
Total	1,828

The Agency has transferred 197 staff to Siemens Business Services, but they are still working on producing Passports in Partnership with United Kingdom Passport Agency.

Grade	HQ	London	Liverpool	Peterborough	Newport	Glasgow	Belfast	Total
Permanent staff in post								
Senior Civil Servant	2	0	0	0	0	0	0	2
Grade 6	2	0	0	0	0	0	0	2
Grade 7	5	1	1	1	1	1	0	10
Senior Executive Officer	12	1	1	1	1	1	1	18
Higher Executive Officer	26	6	8.67	7	6	8	3	64.67
Executive Officer	10	33	42	31.56	28	34.59	13.2	192.35
PO3	11.4	118.5	163.31	106.7	116.5	97.88	53.4	667.69
PO2	0	0	27.98	1	0	11	1	40.98
PO1	4	43.5	15.23	31.4	9	22.59	11.5	137.22
Typing Manager (RO)/SPS (HQ)	0	1	0.95	0	0	0	0	1.95
Support Manager 3	0	0	0	0	0	0	0	0
Total	72.4	204	260.14	179.66	161.5	176.06	83.1	1,136.86
Permanent staff in substantive grades								
Senior Civil Servant	2	0	0	0	0	0	0	2
Grade 6	1	0	0	0	0	0	0	1
Grade 7	6	1	0	0	1	1	0	9
Senior Executive Officer	7	1	1	1	1	1	1	13
Higher Executive Officer	21	6	4	5	5	5	3	49
Executive Officer	14	31	26.43	25.56	20	23.59	12.2	152.78
PO3	15.4	120.5	175.23	103.2	124.5	106.9	44.6	690.33
PO2	0	0	0	0	0	2	0	2
PO1	6	43.5	53.48	44.88	10	36.57	22.3	216.73
Typing Manager (RO)/SPS (HQ)	0	1	0	0	0	0	0	1
Support Manager 3	0	0	0	0	0	0	0	0
Total	72.4	204	260.14	179.64	161.5	176.06	83.1	1,136.8
Number of part-year appointments								
Senior Civil Servant	0	0	0	0	0	0	0	0
Grade 6	0	0	0	0	0	0	0	0
Grade 7	0	0	0	0	0	0	0	0
Senior Executive Officer	0	0	0	0	0	0	0	0
Higher Executive Officer	0	0	0	0	0	0	0	0
Executive Officer	0	0	0	0	0	0	0	0
PO3	0	0	6	67.27	30	0	2	105.27
PO2	0	0	2	2	0	0	12	16
PO1	0	0	40.61	24.18	15	33	22	134.79
Typing Manager (RO)/SPS (HQ)	0	0	0	0	0	0	0	0
Support Manager 3	0	0	0	0	0	0	0	0
Total	0	0	48.61	93.45	45	33	36	256.06
Number of daytime casual staff								
Grade 5	0	0	0	0	0	0	0	0
Grade 6	0	0	0	0	0	0	0	0
Grade 7	0	0	0	0	0	0	0	0
Senior Executive Officer	0	0	0	0	0	0	0	0
Higher Executive Officer	0	0	0	0	0	0	0	0
Executive Officer	0	0	0	0	0	0	0	0
PO3	0	0	0	0	0	0	0	0
PO2	0	0	0	0	0	0	0	0
PO1	1	0	35	87.43	35	109.59	13	281.02
Typing Manager (RO)/SPS (HQ)	0	0	0	0	0	0	0	0
Support Manager 3	0	0	0	0	0	0	0	0
Total	1	0	35	87.43	35	109.59	13	281.02
Number of evening casual staff								
Grade 5	0	0	0	0	0	0	0	0
Grade 6	0	0	0	0	0	0	0	0
Grade 7	0	0	0	0	0	0	0	0
Senior Executive Officer	0	0	0	0	0	0	0	0
Higher Executive Officer	0	0	0	0	0	0	0	0
Executive Officer	0	0	0	0	0	0	0	0
PO3	0	0	0	0	0	0	0	0
PO2	0	0	0	0	0	0	0	0
PO1	0	0	0.54	28.08	3.5	31.86	0	63.98
Typing Manager (RO)/SPS (HQ)	0	0	0	0	0	0	0	0
Support Manager 3	0	0	0	0	0	0	0	0
Total	0	0	0.54	28.08	3.5	31.86	0	63.98

Grade	HQ	London	Liverpool	Peterborough	Newport	Glasgow	Belfast	Total
Number of daytime fixed term appointments								
Grade 5	0	0	0	0	0	0	0	0
Grade 6	0	0	0	0	0	0	0	0
Grade 7	1	0	0	0	0	0	0	0
Senior Executive Officer	0	0	0	0	0	0	0	0
Higher Executive Officer	0	0	0	0	0	0	0	0
Executive Officer	0	0	0	0	0	0	0	0
PO3	0	3	3.76	12.64	0	0	0	19.4
PO2	0	0	0	0	0	0	0	0
PO1	0	0	0	6.24	6	2.08	0	14.32
Typing Manager (RO)/SPS (HQ)	0	0	0	0	0	0	0	0
Support Manager 3	0	0	0	0	0	0	0	0
Total	1	3	3.76	18.88	6	2.08	0	34.72
Number of evening fixed term appointments								
Grade 5	0	0	0	0	0	0	0	0
Grade 6	0	0	0	0	0	0	0	0
Grade 7	0	0	0	0	0	0	0	0
Senior Executive Officer	0	0	0	0	0	0	0	0
Higher Executive Officer	0	0	0	0	0	0	0	0
Executive Officer	0	0	0	0	0	0	0	0
PO3	0	0	0.54	11.88	0	0	0	12.42
PO2	0	0	0	8.64	0	0	0	8.64
PO1	0	0	0.54	0.54	26.5	6.48	0	34.06
Typing Manager (RO)/SPS (HQ)	0	0	0	0	0	0	0	0
Support Manager 3	0	0	0	0	0	0	0	0
Total	0	0	1.08	21.06	26.5	6.48	0	55.12
Number of recurring temporary appointments								
Grade 5	0	0	0	0	0	0	0	0
Grade 6	0	0	0	0	0	0	0	0
Grade 7	0	0	0	0	0	0	0	0
Senior Executive Officer	0	0	0	0	0	0	0	0
Higher Executive Officer	0	0	0	0	0	0	0	0
Executive Officer	0	0	0	0	0	0	0	0
PO3	0	0	0	0	0	0	0	0
PO2	0	0	0	0	0	0	0	0
PO1	0	0	0	0	0	0	0	0
Typing Manager (RO)/SPS (HQ)	0	0	0	0	0	0	0	0
Support Manager 3	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
Number of seasonal days								
Grade 5	0	0	0	0	0	0	0	0
Grade 6	0	0	0	0	0	0	0	0
Grade 7	0	0	0	0	0	0	0	0
Senior Executive Officer	0	0	0	0	0	0	0	0
Higher Executive Officer	0	0	0	720.97	0	0	0	0
Executive Officer	0	0	0	977.11	0	0	0	24
PO3	0	0	192.58	998.36	463.5	0	29.5	6,676.1
PO2	0	0	587.58	1,008.7	465.5	0	203	911.42
PO1	31	0	1,365.2	0	1,179.5	3,427.2	538	9,285.3
Typing Manager (RO)/SPS (HQ)	0	0	0	0	0	0	0	0
Support Manager 3	0	0	0	0	0	0	0	0
Total	31	0	2,145.3	3,705.2	2,108.5	3,477.2	770.5	16,897
Number of days overtime								
Grade 5	0	0	0	0	0	0	0	0
Grade 6	0	0	0	0	0	0	0	0
Grade 7	0	0	0	0	0	0	0	0
Senior Executive Officer	4.03	0	0	10.35	0	0	0	14.38
Higher Executive Officer	33.87	22.26	16.35	30.33	52.5	35.5	4.52	195.33
Executive Officer	27.78	37.5	226.68	96.98	135	220	58.83	802.77
PO3	8.06	182.78	769.51	450.12	758	533.5	310.31	2,701.97
PO2	0	0	229.83	12.1	174	65.5	29	510.43
PO1	0	11.46	261.58	555.09	255	566.5	175.75	1,825.38
Typing Manager (RO)/SPS (HQ)	0	4.37	0	0	0	0	0	4.37
Support Manager 3	0	0	0	0	0	0	0	0
Total	73.74	258.37	1,504	1,155	1,374.5	1,421	268.1	6,054.63

Grade	HQ	London	Liverpool	Peterborough	Newport	Glasgow	Belfast	Total
Number of days deputising								
Grade 5	0	0	0	0	0	0	0	0
Grade 6	0	0	0	0	0	0	0	0
Grade 7	0	0	0	0	0	0	0	0
Senior Executive Officer	0	0	0	0	0	0	0	0
Higher Executive Officer	0	0	12	0	0	25	0	37
Executive Officer	0	0	104	0	14	153	0	271
PO3	0	0	4.5	0	23	90	13.5	131
PO2	0	0	0	0	0	0	0	0
PO1	0	0	0	0	0	0	8.5	8.5
Typing Manager (RO)/SPS (HQ)	0	0	3	0	0	0	0	3
Support Manager 3	0	0	0	0	0	0	0	0
Total	0	0	123.5	0	37	268	22	450.5

Mr. Lidington: To ask the Secretary of State for the Home Department how many *(a)* telephone and *(b)* written inquiries have been received in each of the Passport Agency's six offices in each of the last 12 months. [88621]

Mr. Mike O'Brien: The Passport Agency's published telephone inquiry number is a single non-geographical number (0870 5210410). The inquiry service is fronted by an automated menu system which, depending on the option selected, then routes calls to either an appropriate recorded message (for general inquiries) or an operator (for specific inquiries).

An element of the calls are, therefore, answered centrally by recorded messages, whilst the remainder are transferred to the local office to be answered by an operator. If all lines to the local office are busy, customers receive a courtesy message for that office. To provide the full picture, the number of calls answered centrally by recorded and courtesy messages has also been included.

Telephone inquiries

Month	Recorded/ courtesy messages	Belfast	Glasgow	London	Liverpool	Newport	Peterborough
June 1998	516,045	13,521	25,918	22,512	37,624	46,013	21,596
July 1998	563,559	11,196	24,457	15,305	36,151	41,376	25,153
August 1998	279,214	9,047	26,776	15,168	[1]—	34,086	23,936
September 1998	202,702	8,744	26,724	26,805	[1]—	[1]—	25,592
October 1998	291,458	10,764	23,576	30,123	13,569	[1]—	[1]—
November 1998	131,726	7,366	23,348	31,195	20,129	26,481	15,103
December 1998	192,176	1,412	17,292	20,712	17,969	22,465	16,796
January 1999	332,296	875	21,984	26,725	21,445	32,911	25,566
February 1999	370,537	4,152	20,878	23,691	17,421	35,479	27,982
March 1999	668,287	4,876	25,914	38,020	15,060	30,148	29,470
April 1999	669,048	9,249	19,822	15,324	10,914	25,695	20,036
May 1999	1,388,522	9,175	16,706	17,053	6,893	26,240	12,988

[1] Management information not available due to refurbishment work.

Written inquiries

Month	Belfast	Glasgow	London	Liverpool	Newport	Peterborough
June 1998	182	538	111	1,866	1,874	602
July 1998	197	591	120	2,430	1,712	813
August 1998	293	679	88	1,494	2,238	473
September 1998	243	574	110	1,589	1,802	502
October 1998	91	539	87	1,304	1,631	496
November 1998	157	353	111	1,736	913	813
December 1998	262	588	159	1,399	600	118
January 1999	193	423	144	2,200	3,058	464
February 1999	208	528	194	1,566	2,600	2,171
March 1999	262	800	241	2,025	2,856	2,376
April 1999	428	839	231	2,016	2,808	2,162
May 1999	156	2,468	358	2,152	2,014	1,944

Mr. Lidington: To ask the Secretary of State for the Home Department how many passport applications in each month since January 1996 have been endorsed with a two year extension; and if he will make a statement. [88505]

Mr. Mike O'Brien: The Passport Agency currently has backlogs and in order to clear quickly straightforward renewal applications, certain existing passports are being extended provided certain criteria are fulfilled.

The number of extensions that have been made are as follows:

	Number
May 1999	–18,918
June 1999 (to date)	–19,178
Total	38,096

The only other extensions that have been made by the Passport Agency since January 1996 have been a total of 183 made by the out-of-hours duty officer in the London office to facilitate travel for those requiring an emergency service.

The temporary extension of passports is a sensible easement to reduce queues and assist people to travel. Arrears of passport applications are double the amount last year and have been caused by an exceptional rise in applications since April, additional applications arising from the requirements for children to have separate passports and arrears which accrued following the introduction of a new issuing system which is being piloted in Liverpool and Newport. The criteria to be met before extensions are given are that the holders details remain unchanged, the passport has not expired more than five years previously, the passport is not damaged or altered, the passport is not subject to restrictions, and the applicant's appearance is clearly identifiable.

These extended passports are properly issued passports valid for travel and immigration authorities abroad have been made aware of the position. There is no relaxation in security and proper checks are made before the passports are extended. The measures are temporary and expected to cease by September when current backlogs are expected to be cleared.

Mr. Lidington: To ask the Secretary of State for the Home Department when he expects to receive the Passport Agency's business plan for 1999–2000. [88512]

Mr. Mike O'Brien: The Agency is working to a three year Corporate Plan. I expect to receive the Agency's Business Plan for 1999–2000 in the next few weeks, to take account of decisions on the full implementation of the new computerised issuing arrangements.

Mr. Lidington: To ask the Secretary of State for the Home Department what progress he has made in providing telephone answering facilities at each of the Passport Agency's offices. [88507]

Mr. Mike O'Brien: The Agency is currently recruiting additional staff, some of whom could be allocated to the telephone inquiry bureau (TEB) at each local office. In the short term, this could help to improve the service by extending the use of existing telephone equipment.

The Agency has appointed consultants to review all technical and business options and make recommendations for improving the telephone inquiry service. This initiative takes forward an Agency's commitment to improve communications for members of the public. It will include modernising government initiatives and investigate the opportunity to automate progress inquiries using the new computer system.

Mr. Lidington: To ask the Secretary of State for the Home Department how many children's applications for passports have been received at each of the Passport Agency's six offices in each month from January 1996 to date. [88514]

Mr. Mike O'Brien: Information on the numbers of applications for passports for children under the age of 16 years is set out in the table:

Children's applications for passports

Months	*London*	*Liverpool*	*Peterborough*	*Newport*	*Glasgow*	*Belfast*	*Total*
1999							
January	3,272	19,240	24,887	24,310	14,634	6,181	92,524
February	3,749	24,465	28,779	25,054	27,193	8,141	117,381
March	5,458	27,483	45,336	19,614	39,312	14,337	151,540
April	3,496	38,812	34,131	31,548	32,971	11,370	152,328
May	6,333	33,888	53,502	39,498	39,824	18,487	191,532
June	3,453	15,723	23,487	21,573	19,296	7,706	91,238
July	—	—	—	—	—	—	—
August	—	—	—	—	—	—	—
September	—	—	—	—	—	—	—
October	—	—	—	—	—	—	—
November	—	—	—	—	—	—	—
December	—	—	—	—	—	—	—
Total	25,761	159,611	210,122	161,597	173,230	66,222	796,543
1998							
January	2,337	7,877	10,154	9,348	6,372	1,640	37,728
February	2,355	9,427	10,426	9,833	5,446	2,011	39,498
March	2,769	10,865	11,383	11,844	7,877	2,549	47,287
April	2,138	9,728	9,924	9,646	5,715	2,401	39,552
May	2,693	13,834	13,920	13,392	9,894	3,635	57,368
June	2,682	14,316	12,819	12,610	8,687	3,044	54,158
July	3,738	12,127	14,220	10,473	8,559	2,724	51,841
August	3,890	7,518	12,544	9,639	8,956	2,348	44,895
September	1,592	1,067	9,473	7,639	7,301	2,160	29,232
October	3,170	4,384	10,934	5,545	9,662	4,029	37,724
November	4,751	11,635	15,081	7,607	20,202	6,330	65,606
December	3,276	9,175	11,439	6,871	6,432	4,417	41,610
Total	35,391	111,953	142,317	114,447	105,103	37,288	546,499
1997							
January	2,385	8,610	9,732	8,822	5,795	1,022	36,366
February	2,474	8,247	9,835	9,566	6,224	1,471	37,817
March	2,805	9,295	10,788	9,943	6,917	1,588	41,336

Children's applications for passports

Months	*London*	*Liverpool*	*Peterborough*	*Newport*	*Glasgow*	*Belfast*	*Total*
April	2,058	8,257	8,918	9,453	6,100	1,314	36,100
May	3,204	11,899	12,901	11,746	9,057	1,074	49,881
June	3,369	11,052	11,336	10,016	8,430	8,430	52,633
July	4,305	10,132	10,368	9,057	6,320	1,121	41,303
August	3,946	7,646	9,075	6,499	4,862	1,275	33,303
September	1,893	5,282	6,101	4,893	4,165	464	22,798
October	2,275	5,245	5,441	4,593	3,717	1,326	22,597
November	2,434	4,354	6,461	5,214	3,655	1,678	23,796
December	1,813	3,026	3,695	2,756	1,987	1,146	14,423
Total	32,961	93,045	104,651	92,558	67,229	21,909	412,353
1996							
January	2,714	8,548	1,214	9,580	6,457	1,699	30,212
February	2,560	7,391	17,377	9,096	6,066	2,060	44,550
March	3,204	9,331	11,442	10,638	6,809	1,920	43,344
April	2,273	8,366	9,382	9,485	5,591	2,075	37,172
May	3,848	12,034	14,568	13,440	10,118	3,194	57,202
June	3,554	10,555	12,676	11,313	8,671	2,730	49,499
July	4,676	10,162	10,418	9,809	6,809	1,784	43,658
August	3,554	7,637	8,974	6,444	4,560	1,474	32,643
September	1,711	5,157	5,451	5,479	4,136	1,025	22,959
October	2,415	4,683	5,803	4,457	2,907	792	21,057
November	2,531	4,764	7,108	4,506	4,164	1,358	24,431
December	1,708	2,829	4,021	2,589	1,764	654	13,565
Total	34,748	91,457	108,434	96,836	68,052	20,765	420,292

[1] Includes up to 20 June 1999

Note:

These figures do not take account of applications for children to be included in an adult passport, a facility that was available until 5 October 1998.

Risk Assessment

Mr. Lidington: To ask the Secretary of State for the Home Department if he will make a statement on the progress and conclusions of his Department's Study on assessing dangerous offender risk in practice. [88520]

Mr. Boateng: A project commenced in November 1998 to examine issues associated with the risk assessment and risk management process with dangerous and sex offenders. The research is assessing consistency of practice between the police and other agencies, as well as identifying good practice. The fieldwork is being undertaken in six police force areas in England and Wales and is due to be completed towards the end of 1999.

A review of the literature in the area of risk assessment and risk management has also been undertaken and is likely to be published by the end of 1999.

Mr. Lidington: To ask the Secretary of State for the Home Department if he will make a statement on the progress and conclusions of his Department's comparative study of risk assessment scales in use by the Prison Service and Probation Service. [88519]

Mr. George Howarth: The Research, Development and Statistics Directorate of the Home Office has received an interim report of a study conducted by the University of Wales and the Probation Studies Unit, Oxford, on behalf of the Home Office, entitled "Evaluating Risk and Need Assessment in Probation Services". The study examined how the risk scores obtained from the two risk assessment instruments commonly used by probation services compared with actual reconvictions over a 12 month period. The findings so far are provisional but indicate that both tools are able to produce risk measures which are significantly related to subsequent reconviction. We expect to receive the final report at the end of October and to publish it in December.

Mr. Lidington: To ask the Secretary of State for the Home Department if he will make a statement on the progress and conclusions of his Department's survey of prison and probation officers' experience of risk assessment scales. [88518]

Mr. George Howarth: The Research, Development and Statistics Directorate of the Home Office is working on a draft report entitled, "Risk of Re-offending and Needs Assessments: the user's perspective" which is expected to be published in December alongside other research on risk assessment. It will look at the practical experiences and attitudes of probation officers using risk and needs assessment tools and make recommendations about the structure and use of any new system.

Prisons (Drugs)

Mr. Stinchcombe: To ask the Secretary of State for the Home Department how many prisoners have had *(a)* visits curtailed and *(b)* closed visits enforced because of drugs being smuggled during prison visits in the latest period for which figures are available. [88302]

Mr. George Howarth: Information on closed visits enforced because of drug smuggling is not yet available centrally. Information on curtailed visits is not collated centrally.

Mr. Stinchcombe: To ask the Secretary of State for the Home Department what research he has *(a)* commissioned and *(b)* evaluated into a correlation between drug abuse and the level of opportunity for work, training or recreation in prison. [88305]

Mr. George Howarth: No research has been commissioned specifically into the correlation between drug misuse and the level of opportunity for work, training or recreation in prison. However, we have set targets for purposeful activity within prison regimes based on the belief that constructive and structured regimes can contribute towards a reduction in offending of all kinds.

Mr. Stinchcombe: To ask the Secretary of State for the Home Department what quantities of what unauthorised drugs were found in HM prisons and young offenders' institutions in each of the last five calendar years. [88301]

Mr. George Howarth: Information on the number of seizures of different drugs found in prison establishments is outlined in the table. However, data on quantities of drugs found are not available.

Drug finds in prisons in England and Wales 1994–98

Type of drug found	*1994*	*1995*	*1996*	*1997*	*1998*
Amphetamines	120	242	197	161	152
Barbiturates	70	82	56	41	23
Cannabis Resin	4,859	6,442	4,897	4,093	3,054
Cannabis Herbal	252	288	223	240	188
Cocaine	108	143	97	98	86
Crack	0	12	21	32	39
Heroin	350	678	1,034	992	1,079
LSD	49	28	18	11	11
Other (Miscellaneous)	406	643	673	548	454
Total	6,214	8,561	7,216	6,216	5,086

Mr. Malins: To ask the Secretary of State for the Home Department how many mandatory drug tests on prisoners proved *(a)* positive and *(b)* negative in the last 12 months for which figures are available; and in what proportion of positive tests disciplinary action was taken. [88708]

Mr. George Howarth: In 1998, 88,304 mandatory drug tests were undertaken, and some 20,152 of those tests were positive for drugs. This figure includes results from both random and targeted tests. During 1998, a total of 15,672 offences of "unauthorised use of a controlled drug" were punished under the Prison Rules. Not all positive tests lead to disciplinary action for a number of reasons including:

If a prisoner were imprisoned for less than the retention period of the drug that tested positive, no charge could be laid because the misuse could have taken place whilst in the community. The maximum retention time for benzodiazepines and cannabis is 30 days.

Similarly, if a prisoner tested positive twice within a short space of time, they might not be charged on the second occasion because both positive results could have arisen from the same incident of misuse.

A prisoner might be released after being tested but before any charge could be laid.

A few prisons operate a policy of cautioning a prisoner outside an adjudication for a first offence of cannabis misuse.

There will always be a small number of cases where a procedural error, for example failure to charge within 48 hours of the discovery of an offence, means that the case cannot proceed to adjudication.

Prevention of Terrorism (Temporary Provisions) Act

Mr. Lidington: To ask the Secretary of State for the Home Department (1) on what dates *(a)* he first sought legal advice about the status of Parts IVA and IVB of the Prevention of Terrorism (Emergency Provisions) Act 1989, *(b)* he received that legal advice and *(c)* he advised the police not to rely on those Parts of the Act; [88732]

(2) on what date instructions were given to draft the Prevention of Terrorism (Temporary Provisions) Act 1989 (Revisal of Parts IVA and IVB) Order 1999; and if he will make a statement. [88801]

Mr. Straw: Instructions were given on 21 June 1999 to draft the Prevention of Terrorism (Temporary Provisions) Act 1989 (Revival of Parts IVA and IVB) Order 1999.

The Law Officers received a written request from my Department for legal advice about the status of Parts IVA and IVB of the Act, and other related matters, on 1 June. They received Counsel's opinion on 17 June and gave their written advice to my Department on the same day. My officials provided me with detailed advice on 18 June.

Chief Officers were advised on 23 June 1999 that Parts IVA and IVB of the Prevention of Terrorism Act 1989 had not been in force since 22 March 1998 and that they should not, therefore, rely on these provisions. Prior to this, on 28 May, informal advice had been given to the Secretary of the relevant Committee of the Association of Chief Police Officers to the effect that a question mark had arisen about the status of the provisions and that urgent advice was being sought.

Prisoners

Mr. Stinchcombe: To ask the Secretary of State for the Home Department what proportion of inmates were locked in their cells for *(a)* less than 10 hours a day, *(b)* between 10 and 15 hours a day, *(c)* between 15 and 20 hours a day and *(d)* in excess of 20 hours a day in each prison and young offenders' institutions in the most recent period for which figures are available. [88304]

Mr. George Howarth: The Prison Service collects, for each establishment, only the average time that all prisoners spend locked in their cells. The table shows the proportion of the prison population held in prisons where the average time locked in cell in May 1999 was as stated. Data are provisional and subject to validation by prisons. This excludes performance at Portland prison where reliable information for May is not yet available.

Percentage of population held in prisons where average time locked in cell in May 1999 was as stated

	Weekdays		*Weekends*	
Hours	*Average prisoner population within each band*	*Percentage*	*Average prisoner population within each band*	*Percentage*
More than 20	0	0	1,196	2
Between 15 and 20	17,369	27	33,809	53
Between 10 and 15	41,678	65	23,774	37
Less than 10	5,106	8	5,374	8
	64,153		64,153	

Dangerous Personality Disorders

Mr. Lidington: To ask the Secretary of State for the Home Department what representations he has received about his plans for new legal powers to detain people with dangerous personality disorders; and if he will make a statement. [88516]

Mr. Straw: The Government have received a number of informal comments following my statement to the House of Commons on 15 February, *Official Report*, columns 601–03. We expect to receive more formal comments when the consultation paper setting out our proposals in more detail is issued.

Mr. Lidington: To ask the Secretary of State for the Home Department, pursuant to his oral statement of 15 February 1999, *Official Report*, columns 601–03, when he plans to publish a consultation document on powers for the detention of people with dangerous personality disorders. [88500]

Mr. Straw: My right hon. Friend the Secretary of State for Health and I plan to publish a detailed consultation paper on the management of dangerous people with severe personality disorder shortly.

Sex Offenders Register

Mr. Lidington: To ask the Secretary of State for the Home Department if he will make a statement on the progress and conclusions of his Department's evaluation of the Sex Offenders Register. [88517]

Mr. Boateng: The evaluation of the Sex Offender Register began in August 1998. This is examining how the police are in practice administering the registration requirement, and how effective the Act is considered to be. The evaluation will be available towards the end of this year, at which point we will consider its implications for the effective operation of the Act in the future.

Emergency Planning

Mr. Maclean: To ask the Secretary of State for the Home Department what recent assessment he has made of emergency planning requirements in Cumbria. [88352]

Mr. George Howarth: None. The assessment of what is required in Cumbria is the responsibility of the local agencies.

For 1999–2000, Cumbria County Council was allocated a £204,288 grant. The Chief Executive was informed on 26 May that, as a result of the new scheme, this would be reduced to £183,859 for 2000–01 and again to £136,486 for 2001–02.

Civil defence grant has never been provided on the basis of an assessed need for each specific area and is only a contribution towards the total requirement. The new scheme is based on the following rationale:

All 178 grant eligible authorities will receive a basic allocation of £45,000 to ensure a minimum level of service, and the delivery of basic standards of preparedness.

County Councils will receive an allocation of £10,000 for each of the District Councils within the County boundary in recognition of the service that a County must provide to constituent Districts.

Remaining grant after the first two elements have been addressed will be allocated according to Bellwin thresholds. The Bellwin Scheme, operated by the Department for the Environment, Transport and the Regions, sets a level of expenditure above which central Government may contribute to costs incurred by local authorities in responding to a major incident. The use of Bellwin acknowledges the relationship between population size and the work load of emergency planning teams in large areas.

Some work done by local authorities can be charged to outside industry and in Cumbria, for example, the cost of work done with the nuclear industry under specific legislation, can be reclaimed from them.

Mr. Maclean: To ask the Secretary of State for the Home Department what proposals he has for the future funding for emergency planning services in *(a)* England and Wales and *(b)* Cumbria. [88353]

Mr. George Howarth: The Home Office provides civil defence grant to eligible local authorities in England and Wales to offset some of the expenditure incurred by them in meeting their civil defence duties. The grant is not intended to meet the full cost of emergency planning services.

The total amount of grant for England and Wales has been set at £14.038 million for this year and the next two years. Cumbria have been allocated £204,288 for 1999–2000, £183,859 for 2000–01 and £136,486 for 2001–02. The reduction is the result of a new mechanism for allocating civil defence grant.

Gas Lighter Refills

Mr. McNulty: To ask the Secretary of State for the Home Department when he will make an announcement about the outcome of the consultation exercise seeking views on the proposal to ban the sale of gas lighter refills to people below a certain age. [89020]

Mr. George Howarth: I intend to make an announcement tomorrow morning.

Written Answers to Questions

Tuesday 29 June 1999

TRADE AND INDUSTRY

Fur Trade

Helen Jackson: To ask the Secretary of State for Trade and Industry what discussions he has had within the EU on requiring the labelling of fur products to state the country, animal of origin and how the animal has been killed. [87415]

Mr. Wilson: The EU has not discussed requirements for labelling of fur products. However, consumers themselves have a role to play here by requesting information about products before buying. The Trade Descriptions Act 1968 and the Control of Misleading Advertisements Regulations prohibit false or misleading information about products. If a trader is unwilling to provide clear information, consumers can exercise their right to shop elsewhere. I have initiated consultation with ministerial colleagues on what further steps might be taken.

Gender and Science Watch System

Sir Richard Body: To ask the Secretary of State for Trade and Industry if he will make a statement on departmental policy in response to the European Commission's proposals under the Gender and Science Watch System. [87679]

Mr. Battle: The Government support the aims of the recent European Commission Communication "Women and science—Mobilising women to enrich scientific research", which includes a description of its activities known as the Gender and Science Watch System. The Commission's approach is consistent with the Government's policies to increase the participation of women in science and complements the initiatives already being taken in the UK, for example The Promoting SET (Science, Engineering and Technology) for Women Unit, located in the Office of Science and Technology at the Department of Trade and Industry.

Landmines Act 1998

Mr. Harvey: To ask the Secretary of State for Trade and Industry what representations he has received about breaches of the Landmines Act 1998; and if he will make a statement. [87885]

Dr. Howells: Anyone with any evidence to suggest that there has been a breach of the Landmines Act 1998 should draw it to the attention of the relevant enforcement authorities, to whom any letters alleging such breaches are passed by this Department.

Export of Goods (Control) Order 1989

Mr. Harvey: To ask the Secretary of State for Trade and Industry if a company based in the UK needs a licence to export goods covered by the Export of Goods (Control) Order 1989 to overseas subsidiaries. [87955]

Dr. Howells: Yes.

Intellectual Property

Mr. Hesford: To ask the Secretary of State for Trade and Industry what steps he has taken to increase the ability of UK companies and institutions to protect their intellectual property; and if he will make a statement. [88074]

Dr. Howells: The Government's Competitiveness White Paper, which was published last December, includes a comprehensive and ambitious action plan for improving the legal framework which creates and defines rights, for improving access to intellectual property, and for reforming the civil justice system to allow intellectual property rights to be enforced more easily and cheaply.

In particular, we are pressing for early adoption of a proposal for a European Directive on copyright and the information society. This will introduce changes to the copyright system throughout Europe to ensure that it can deal more effectively with the challenges and opportunities brought by dissemination of copyright works by means of digital networks. Also in the field of information technology, during our presidency of the European Union, the United Kingdom hosted a major international conference on ways to protect computer software, including by patents. As a result of this initiative, we expect the European Commission to bring forward a proposal for a Directive for harmonising the patents regime across member states, and so to encourage innovation in this important area.

In patents, we are pushing for a unitary Community patent providing rights across all member states. This would present further choice for those who wish to protect their innovations by patents in addition to existing routes via the European Patent Office, through which a bundle of individual national patents may be obtained, and the United Kingdom's own patent office which affords rights in the United Kingdom. Such a unitary system must, however, command the confidence of industry, and we are seeking ways to ensure that rights are underpinned by a high degree of legal certainty.

Discussions are currently taking place with our European Community partners on the possibility of harmonising so-called "utility models" (or petty patents). If adopted, a Directive would require the United Kingdom to introduce such a system for the first time, although 12 of our EC partners currently operate such regimes. Utility models are for the protection of smaller, incremental inventions. Rights would be granted by registration without the technical and legal scrutiny which precedes granting of patent rights. Acquisition of rights would, therefore, be quicker and cheaper and would present advantages to industry, especially small businesses. However, this carries risk that rights could be found to be invalid, and that rights could be used anticompetitively. It is important that the terms of an eventual Directive benefits firms, especially small businesses.

Official fees for obtaining patents and trade marks at the United Kingdom Patent Office have been substantially reduced in the last 2 years. Some fees in trade marks and patents have been reduced by 50 per cent. and application fees for patents have been abolished completely—the first intellectual property office in the world to do so. In addition, the Office continues to offer a customer focused service and to grant high quality rights speedily. Trade mark rights are granted within weeks, and patents can be granted within a year of the initial application. Once the impact of the present fees reductions has emerged, we will undertake a review to determine the effects of official fees on the innovation process.

Access to, and cost of litigation in, the intellectual property field is soon to benefit from changes recommended in Lord Woolf's recent report. New Rules on litigation before the Patent Office should be in force this year and benefits will accrue from more general changes to civil actions.

The Patent Office is also closely involved with the European Patent Office and the World Intellectual Property Organisation in the establishment and implementation of a global system for introducing e-commerce into the filing and prosecution of applications for intellectual property rights. It is expected that technical standards for this field will be agreed internationally next year and a full system should be implemented by 2005.

Rural Post Offices

Mr. Rendel: To ask the Secretary of State for Trade and Industry how many rural post offices there were in Scotland, Wales and England *(a)* at the latest available date, *(b)* in 1997, *(c)* in 1989 and *(d)* in 1979. [88080]

Mr. Ian McCartney *[holding answer 24 June 1999]:* The Post Office have advised the numbers of rural post offices in Scotland, Wales and England as follows:

	Scotland	*Wales*	*England*
End May 1999	1,140	987	6,272
End March 1998	1,170	983	6,535

I understand that, prior to March 1998, Post Office Counters Ltd. did not break down the numbers of post offices by country but only by its own administrative regions.

National Minimum Wage

Mr. Spring: To ask the Secretary of State for Trade and Industry when the monitoring period for the assessment of the national minimum wage, as it affects activity holidays, will end. [88451]

Mr. Ian McCartney: The Low Pay Commission has been asked to monitor and evaluate the introduction and impact of the National Minimum Wage and to report to the Prime Minister and the Secretary of State for Trade and Industry by December 1999. I understand that the Commission will shortly be writing to interested parties, including groups representing activity holiday companies, inviting them to submit written evidence by mid-September.

Share Purchases

Mr. Loughton: To ask the Secretary of State for Trade and Industry (1) what responses he has received to the consultation document, Investment Companies Share Repurchases Using Capital Profits; and when he expects to announce his conclusions; [R] [88610]

(2) if he will make a statement on investment company share purchases using capital profits; [R] [88612]

(3) what plans he has to table regulations on the issue of investment company share repurchases using capital profits. [R] [88611]

Mr. Ian McCartney *[holding answer 28 June 1999]:* My Department received 42 responses to its consultative document Investment Companies—Share Repurchases Using Capital Profits. Two respondents opposed a change to the law. A summary of responses was issued last week and has been placed in the Library of the House along with the original consultative document. Following the receipt of a number of detailed comments on the draft Statutory Instrument, my Department proposes to undertake a further, limited, consultation on a slightly revised draft SI (but not on the principle of a proposed change to the law) and an announcement will be made as soon as possible thereafter.

Science Investment

Mr. Dobbin: To ask the Secretary of State for Trade and Industry how much the Government are investing in science; and if the information is publicly available. [89293]

Mr. Battle: My noble Friend Lord Sainsbury is today publishing the Forward Look of Government-funded Science, Engineering and Technology which sets out the Government's spending plans. We see science as a major priority and a key driver for wealth creation, employment and an improved quality of life both in this country and overseas. We will be investing over £20 billion in this area over the next three years—a real terms increase of £1.8 billion—representing a level of investment higher in real terms than at any time over this decade. Copies have been placed in the Libraries of the House.

City Flyer Express BA Merger

Mr. Fallon: To ask the Secretary of State for Trade and Industry if he will set out the reasons for the time taken to reach his decision on the merger of City Flyer Express and British Airways; and when that decision is scheduled. [88887]

Dr. Howells: My right hon. Friend the Secretary of State for Trade and Industry will publish the Competition Commission's report on British Airways' proposed acquisition of City Flyer Express as soon as is practicable. It is not the practice of my right hon. Friend to comment publicly on the timing or substance of competition cases in advance of publication of the Competition Commission's report.

SOCIAL SECURITY

European Communities Working Groups

Mr. Bercow: To ask the Secretary of State for Social Security if he will list the European Communities working groups which met over the last 12 months with a representative from his Department in attendance; if he will list the number of times each met; if he will indicate the nature of the Government's representation; and if he will make a statement. [88481]

Angela Eagle: The Social Questions Working Group of the Council met on nine occasions in the last 12 months when officials from this Department were present.

Jobseeker's Allowance

Mr. Field: To ask the Secretary of State for Social Security if he is able to announce changes to the regulations in respect of the payment of Jobseeker's Allowance to employees made redundant when their employer goes into receivership. [89031]

Angela Eagle: We are aware of the effect of the Jobseeker's Allowance rules in this area and are considering the matter in conjunction with the Department of Trade and Industry to see whether any changes can be made. There are, however, complex issues to be resolved. Meanwhile, there are existing safeguards to protect those most in need as payments can be made if hardship would otherwise result.

Stakeholder Pensions

Mr. Levitt: To ask the Secretary of State for Social Security what progress has been made on the consultation on the stakeholder pensions proposals. [89295]

Mr. Timms: The consultation paper "Stakeholder Pensions: Employer Access—the Government's Proposals" is published today. This is the second in a series of consultation papers on stakeholder pensions; further consultation papers will be issued in the coming weeks.

This paper demonstrates our commitment to move ahead with pensions reform. Stakeholder pensions will plug a gap in pension provision by providing low-cost, dependable and flexible pensions for up to five million people who currently do not have the right options available to save for their retirement.

This consultation paper sets out how employers will play a part in this process, by providing employees with access to a stakeholder pension scheme if they do not offer an occupational pension scheme. Copies of the consultation paper are available in the Library and the Vote Office.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Transport and Works Act 1992

Mr. Snape: To ask the Secretary of State for the Environment, Transport and the Regions how many applications for orders under the Transport and Works Act 1992 will be affected by the transfer of powers to the National Assembly for Wales on 1 July. [87582]

Ms Glenda Jackson: No outstanding Transport and Works Act applications will transfer to the National Assembly for Wales on 1 July.

GM Crops (Cleethorpes)

Shona McIsaac: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the locations in the Cleethorpes parliamentary constituency where GM crops are being grown. [87991]

Mr. Meacher: Within the parliamentary constituency of Cleethorpes, six consents have been issued in respect of small research trials of genetically modified crops to permit growing in 1999. These trials are all located at Dalby Farms Limited, Brigsley. Further details of these trials are available on the DETR public register and on the DETR website.

GM Crops

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions what is the distance of the pollen barrier at the genetically modified farm-scale trial in Wiltshire; what is the distance which SCIMAC recommend for an isolation distance in their code of practice; and if he will make a statement. [88158]

Mr. Meacher: The consent for the farm scale evaluation of spring oil seed rape at Lushill Farm, Hannington, Wiltshire does not specify a pollen barrier. Under the conditions of the release, a 50m isolation distance must be maintained between the genetically modified (GM) oil seed rape and any non-GM oilseed rape to be used for food or animal feed. Any oil seed rape growing within 50m of the GM oil seed rape will in this instance be destroyed after harvest. The 50m separation distance between GM and non-GM oil seed rape is specified in the SCIMAC (Supply Chain Initiative for Modified Agricultural Crops) Guidelines.

Inland Fisheries (Cormorants)

Mr. Bennett: To ask the Secretary of State for the Environment, Transport and the Regions what assessment the Environment Agency has made of the damage caused by cormorants to inland fishing. [88194]

Mr. Meale: In 1995 my Department, the Ministry of Agriculture, Fisheries and Food and the Environment Agency commissioned a three year programme of research on the problem of fish-eating birds, including cormorants, at inland fisheries. The research was aimed at identifying the populations, distributions and movements of these birds, their feeding ecology, the extent of the problems they can cause and assessing different management techniques to reduce those problems. The final results will be disseminated to the fishing and bird conservation interests at a seminar to be held on 30 September.

Local Government Finance

Mrs. Anne Campbell: To ask the Secretary of State for the Environment, Transport and the Regions if he will

name those authorities in receipt of the area cost adjustment and the additional SSA which they received for 1999–2000. [88188]

Mr. Meale: The information requested has been placed in the Library.

Wind Farms

Lorna Fitzsimons: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the number of planning applications for wind farms which have been refused; how many appeals against such refusals have been made and in each case on what grounds. [88394]

Mr. Raynsford: Information on planning applications made to local planning authorities for wind farm proposals is not held centrally; there have been 27 planning appeals in England since 1990. In most of those appeals weighing visual impact against the benefits of renewable energy is likely to have been an important consideration. Appeal decision letters are available from the Planning Inspectorate.

Sites of Special Scientific Interest

Mr. Lepper: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his oral answer of 13 April 1999, *Official Report*, column 11, on sites of special scientific interest, when he expects to announce how the Government intend to proceed. [88336]

Mr. Meale: We have recognised the need to give thorough consideration to the most effective measures we can introduce, and will be announcing our conclusions shortly.

Oil Spillages

Mr. Truswell: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the *(a)* level of pollution and *(b)* threat of pollution arising from spillages from oil storage tanks with insecure stop-cocks; and if he will make a statement. [88195]

Mr. Meale: In 1998 the Environment Agency recorded 5,308 water pollution incidents in England and Wales related to oil spillages. In a sample study six per cent. of incidents were identified by the Agency as due to faulty oil tank valves.

The Government are considering whether further measures to prevent water pollution from industrial, commercial and institutional (residential and non-residential) oil storage installations are needed. We expect to make an announcement shortly.

London Underground

Mr. Woodward: To ask the Secretary of State for the Environment, Transport and the Regions what studies have been carried out into the practical effects of the closure of the London Underground Northern Line between Moorgate and Kennington stations from 3 July until 6 September. [88427]

Ms Glenda Jackson: London Underground (LU) have made a number of studies into the practical effects of the upcoming Northern Line closure between Moorgate and Kennington stations. They have modelled the impact on passenger flows across London's public transport system and also modelled in more detail passenger movements in the stations most likely to suffer increased congestion.

Based on the results of these studies and their experience of the southbound closure of the same section of line in 1996, LU have developed an alternative service to minimise passenger disruption for the period of the closure.

Planning Policy (Sport and Recreation)

Liz Blackman: To ask the Secretary of State for the Environment, Transport and the Regions what progress has been made on the revision of PPG17; and when he expects the revised Guidance to be announced. [88776]

Mr. Nigel Jones: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to publish the revised Policy Planning Guidance Note 17 on Sport and Recreation. [88458]

Mr. Raynsford: I refer to the answer that I gave to my hon. Friend the Member for Erewash (Liz Blackman) on 13 January 1999, *Official Report*, column *215*. The text is being prepared for consultation in the Autumn.

Carbon Dioxide Emissions

Mrs. Brinton: To ask the Secretary of State for the Environment, Transport and the Regions (1) by what percentage emissions of carbon dioxide were reduced between the years 1990 and 1993; and what were the major contributors to this reduction; [88739]

(2) by what percentage emissions of carbon dioxide were reduced between the years 1993 and 1997; and what were the major contributors to this reduction. [88740]

Mr. Meale: Emissions of carbon dioxide fell by 4 per cent. between 1990 and 1993 (from 168 MtC to 161 MtC) and by 4 per cent. between 1993 and 1997 (from 161 MtC to 155 MtC). A major contribution to the decline during both periods was the switch from coal to gas and to nuclear for power generation. During the latter period (1993 to 1997) the effects of energy efficiency improvements, economic restructuring and the increases in road transport fuel duty in reducing emissions were also significant. Without these trends emissions would have been expected to rise between 1990 and 1997 due to the effects of economic growth.

Playing Fields

Mr. Nigel Jones: To ask the Secretary of State for the Environment, Transport and the Regions if he will assess the advantages and disadvantages of including playing fields in the land use register. [88459]

Mr. Raynsford: It is our intention that the National Land Use Database will record all land uses, including playing fields.

Mr. Nigel Jones: To ask the Secretary of State for the Environment, Transport and the Regions how many school playing fields have been given planning permission for non-sport development since 1 October 1998. [88742]

Mr. Raynsford: The information requested is not available. The results of planning applications and appeals are not classified by current or previous land use.

Rail Services (Shrewsbury)

Mr. Paul Marsden: To ask the Secretary of State for the Environment, Transport and the Regions what discussions he has had with Virgin and Central Train companies regarding improvements to rail services through Shrewsbury; and if he will make a statement. [88455]

Ms Glenda Jackson: This is a matter for the train operating companies. OPRAF holds regular meetings with both Virgin and Central Trains and although enhancement of services through Shrewsbury have been discussed, I understand that neither company has any current plans for improvement.

Residential Leasehold Properties

Mr. Lepper: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the reports which he has requested from the Institute of Chartered Accountants in England and Wales about disciplinary action taken by that body in respect of non-compliance with the Landlord and Tenant Act 1985 in relation to the accounts of residential leasehold properties in each of the last three years. [88578]

Mr. Raynsford: We have not requested any such reports. However, officials have met representatives of the Institute of Chartered Accountants in England and Wales to discuss the certification of service charge accounts. We are well aware of leaseholders' concerns in this area and are considering what might be done to protect their money more effectively.

Cumberland Gap (M6)

Mr. Maclean: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to announce a decision on the funding of the Cumberland Gap section of the M6 in Cumbria. [88350]

Mrs. Liddell *[holding answer 28 June 1999]:* Following the Roads Review last year we announced that we would not be taking forward the M6 extension scheme between Carlisle and Guardsmill as it was then designed but that the Highways Agency would be tasked with considering lower cost options to upgrade the A74 to motorway standard. Cumbria CC has since been commissioned to carry out the study into lower cost options. Decisions on the timing and finance of the scheme will be made following receipt of the study report which is expected in August.

Railway Stations (Bicycles)

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what percentage of railway stations have secure parking provision for bicycles. [88956]

Ms Glenda Jackson: Figures for the percentage of stations with secure parking provision for bicycles are not held centrally. However, around 40 per cent. of railway stations do provide provision for the storage of bicycles.

Monsanto

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the trips, facilities, gifts and other offerings of a financial value provided by Monsanto to *(a)* Ministers and *(b)* civil servants in his Department since 1 May 1997. [88954]

Mr. Meale: As far as I am aware, since 1 May 1997 no Minister or civil servant working in the Department of the Environment, Transport and the Regions, its Agencies and its staff working in the Government Offices has accepted any trips, facilities, gifts or other offering provided by Monsanto.

Large Dams

Mr. Dalyell: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 13 April 1999, *Official Report*, column *70*, on rivers, when he expects to receive Dr. Kader Asmal's report on large dams. [87390]

Mr. Meale: We understand that Dr. Kader Asmal has been asked to report by the end of June 2000.

Transport Planners

Mr. Dalyell: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 21 January 1999, *Official Report*, column *568*, on transport planners, what was the result of the proceedings of the Steering Group. [87391]

Ms Glenda Jackson: The Steering Group, which is drawn from transport providers, passenger groups and local authorities, is continuing to work with the consultants appointed by the Department to assist in the development of the gender audit and the production of a checklist to help transport providers better understand and meet women's transport requirements. We will be finalising the checklist over the summer.

Fish Farms

Mrs. Organ: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the organisations and individuals consulted during the consultation to re-band fish farms within water discharge levies. [88414]

Mr. Meale: A change in the charge band for fish farms was one of a number of amendments made to the Environment Agency's Charging for Discharges Scheme with effect from 1 April 1999. The Environment Agency consulted 211 organisations and individuals on the full range of its proposals. Those consulted included the following with an interest in fish farms:

Association of Still Water Game Fishery Managers
Atlantic Salmon Trust
British Trout Association
Cerne Valley Fisheries Ltd.
Clean Rivers Trust
Commercial Coarse Fisheries Association
Council for the Protection of Rural England
Country Landowners Association
Federation of Small Businesses: Agricultural Affairs Committee

Freshwater Biological Association
Institute of Fisheries Management
Institution of Water and Environmental Management
International Fish Meal and Oil Manufacturers Association
Ministry of Agriculture, Fisheries and Food
National Association of Fisheries and Angling Consolidation
National Farmers Union
National Federation of Anglers
Royal Welsh Agricultural Society
Rural Development Commission
Salmon and Trout Association
Shellfish Association of Great Britain
UK Association of Fish Meal Manufacturers
Water UK
Welsh Anglers Association
Welsh Development Agency
Welsh Office
Welsh Salmon/Trout Angling Association
West Country Trout.

Public-private Partnerships

Ms Osborne: To ask the Secretary of State for the Environment, Transport and the Regions (1) if, in the context of Public-Private Partnership arrangements, a future private sector partner for National Air Traffic Services will be given a right to review and amend the operational mission of the new Scottish centre project; [88948]

(2) what role a future private sector partner for NATS would have for MOD air traffic control operations under the Government's Public Private-Partnership proposals. [88952]

Ms Glenda Jackson: The Government issued a consultation document in October 1998 seeking views on our preferred proposal of a PPP for NATS. The period for responses to that consultation has now closed and we are considering those received including the views expressed on the new [illegible] centre and the relationship with MOD. We will make a detailed announcement on the way forward in due course.

Scottish Air Traffic Control Centre

Ms Osborne: To ask the Secretary of State for the Environment, Transport and the Regions if the new Scottish air traffic control centre will only be built as part of the proposed public private partnership for a national air traffic centre. [88947]

Ms Glenda Jackson: The Government are fully committed to a new air traffic control centre at Prestwick which is part of NATS' two centre strategy for providing ATC services in the 21 century. It is currently envisaged that the project will be taken forward as part of the PPP for NATS.

Ms Osborne: To ask the Secretary of State for the Environment, Transport and the Regions if the operational mission currently planned for the new Scottish air traffic control centre comprises *(a)* en route services, *(b)* oceanic services and *(c)* contingency services for the new en route centre at Swanwick. [88949]

Ms Glenda Jackson: The contract currently under negotiation with Sky Solutions for the New air traffic control centre at Prestwick (NSC) will include the provision of en route and contingency services. The Oceanic flight data processing system is being procured under a separate PFI contract and will be housed in the NSC building.

HOUSE OF COMMONS

Genetically Modified Food

Mr. Baker: To ask the Chairman of the Catering Committee how purchasers of food products on sale within the Parliamentary Estate which may contain genetically modified ingredients are informed that these ingredients may be present. [88633]

Mr. Dennis Turner: The Food Labelling (Amendment) Regulations 1999 provide catering establishments with a transition period of six months in order to achieve full compliance. The Refreshment Department is working towards this, and expects to be in a position to inform its customers of food products containing Genetically Modified soya or maize protein or DNA by the required deadline of 19 September 1999.

HOME DEPARTMENT

Jury Trial

Mr. Beith: To ask the Secretary of State for the Home Department, pursuant to his answer to the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) of 14 June 1999, *Official Report*, columns *53–54*, on jury trial, if he will place in the Library a summary of the responses received during the consultation exercise concerning the proposal to remove the defendant's ability to elect for Crown Court trial in either way cases; and if he will make a statement. [88333]

Mr. Boateng: I refer the right hon. Member to the reply given to my hon. Friend the Member for Eltham (Mr. Efford), on 19 May 1999, *Official Report*, columns *373–74*, by my right hon. Friend the Secretary of State for the Home Department. A copy of the summary of responses to the consultation exercise will shortly be placed in the Library.

Crime and Disorder Audits

Mr. Kidney: To ask the Secretary of State for the Home Department what guidance he *(a)* has given and *(b)* plans to give to local partnerships to ensure consistency in the questions asked by local authorities and police forces for the purpose of audits under the Crime and Disorder Act 1998. [88317]

Mr. Boateng: Previous Home Office guidance to partnerships did not prescribe a specific format for the audits, although it has advised that they specifically seek out levels of racial crime and domestic violence. There are no current plans to amend this guidance.

Mr. Kidney: To ask the Secretary of State for the Home Department, pursuant to his answer of 21 May 1999, *Official Report*, column *467*, on crime and disorder audits, if he will list those partnerships that have made road safety a priority issue. [88316]

Mr. Boateng: We have not yet completed an analysis of the audits and strategies produced by the local crime and disorder partnerships. The Home Office will carry out a programme of research into the strategies, to inform Home Office guidance to partnerships, but we currently have no plans to publish a full list of priorities so far identified by partnerships.

Road Casualty Reduction

Mr. Kidney: To ask the Secretary of State for the Home Department what priority he gives to road casualty reduction within the strategic objectives he has set for the Police Service. [88314]

Mr. Boateng: The overarching aims and objectives for the police service, which were published last year, include the reduction of casualties. My right hon. Friend the Home Secretary made it clear in his letter to Chief Officers of Police and their Police Authorities that he saw traffic policing as central to the police's responsibility for maintaining law and order and reducing crime and that he expected road policing to play a full part in achieving safer communities.

Jill Dando

Mr. Paul Marsden: To ask the Secretary of State for the Home Department if he will make a statement on the progress of the police inquiry into the murder of Jill Dando. [88405]

Kate Hoey: The investigation of crime within the Metropolitan Police District is an operational matter for the Commissioner.

The Commissioner tells me that the murder of Jill Dando has triggered an enormous public response: the police have received over 6,000 calls, letters and fax messages. The inquiry has raised over 4,000 individual investigative actions; nearly 700 statements have been taken; and there has been a mass trawl of Closed Circuit Television records from private industry, local authorities and the Highways Agency to help track events in Jill Dando's last hours. Following the first phase of gathering, filtering and interpreting the initial information the investigation is now focusing upon developing, examining and testing hypotheses based upon what is now known. The investigation is itself subject to a progress review, in line with new general policy; the Commissioner informs me that the investigating team is following a number of lines of inquiry.

Prisons (Drugs)

Mr. Stinchcombe: To ask the Secretary of State for the Home Department how many dogs are currently used in the Prison Service for the purpose of detecting drugs in prison; where they are located; how many prisons do not have full-time and exclusive access to such a dog; and what the costs are of training and keeping such a dog. [88307]

Mr. George Howarth: There are 240 drug dogs in Prison Service establishments, comprising 51 passive drug dogs and 189 active drug dogs. The list shows the location of the drug dogs.

Forty prisons do not have full-time access to a drug dog, but there are two area search teams (one based at Maidstone prison comprising six dogs; the other at Swinfen Hall Young Offenders Institution with two dogs) and the National Dog Support Group (comprising 14 dogs) which are available to give support to these prisons.

The costs for training and maintaining the dogs are:

Initial Training passive dog: £3,321

Initial Training active dog: £3,000

Annual refresher: £1,000.

The yearly costs of keeping a dog averages £2,088, depending on veterinary care.

Prisons in England and Wales with drug dogs:

Acklington
Albany[1]
Altcourse[1]
Askham Grange
Aylesbury
Bedford[1]
Belmarsh[1]
Birmingham
Blakenhurst[1]
Blundeston
Bristol
Brixton
Buckley Hall
Bullingdon[1]
Canterbury
Cardiff
Castington
Channings Wood
Chelmsford
Coldingley
Dartmoor[1]
Deerbolt
Doncaster[1]
Downview
Durham[1]
Eastwood Park[1]
Everthorpe
Exeter
Feltham[1]
Foston Hall[1]
Frankland[1]
Full Sutton
Garth
Gartree
Glen Parva
Grendon
Guys Marsh
Haverigg
Highdown[1]
Highpoint
Hindley
Hollesley Bay
Holloway
Holme House[1]
Hull[1]
Huntercombe
Latchmere House

Leeds
Lewes
Lincoln[1]
Littlehey
Liverpool[1]
Long Lartin
Lowdham Grange
Low Newton
Maidstone
Manchester[1]
Moorland
New Hall
Northallerton
Norwich[1]
Parc
Parkhurst[1]
Portland
Preston[1]
Ranby
Reading
Risley
Send
Shepton Mallet
Standford Hill[1]
Stocken
Stoke Heath
Styal
Swaleside
Swansea
The Mount[1]
Thorn Cross
Wakefield[1]
Wandsworth
Wayland[1]
Wealstun
Wellingborough[1]
Whitemoor[1]
Winchester
Wolds[1]
Woodhill
Wormwood Scrubs[1]
Wymott
Kent Area Search Team[1]
Mercia Area Search Team
National Dog Support Group

[1] Passive drug dog

Note:

Other establishments will have an active drug dog or a dual purpose dog (used for both patrol and drug duties).

Hepatitis C (Prisons)

Lorna Fitzsimons: To ask the Secretary of State for the Home Department what plans he has to institute random or compulsory testing for hepatitis C in prison. [88674]

Mr. George Howarth: There are no plans at present to introduce random or compulsory testing for hepatitis C in prison.

Personality Disorders

Mr. Lidington: To ask the Secretary of State for the Home Department what assessment he has made of the compatibility of his plans for new legal powers for the detention of people with dangerous personality disorders with the European Convention on Human Rights. [88626]

Mr. Straw: The Government fully recognise the need for the arrangements for the detention and management of dangerous severely personality-disordered people to be compatible with the European Convention on Human Rights. This need has been taken into consideration in the work which has been done so far. There will be a process of consultation before final decisions are taken about the precise legal framework and about the facilities within which people will be detained. As the hon. Member is aware, section 19 of the Human Rights Act 1998 requires the Minister in charge of a Bill to make a statement before second reading of the Bill as to the compatibility of the provisions with the Convention rights.

Civil Defence Grants

Mr. Lidington: To ask the Secretary of State for the Home Department what representations he has received about the new distribution mechanism for civil defence grants. [88840]

Mr. George Howarth: The sole avenue of consultation on this issue has been the Local Government Association (LGA). In recognition that the issues excites strong views, exceptional approval was given for a joint Home Office/LGA Working Group to examine the issues surrounding grant redistribution. The Group met twice and, although a consensus was not reached, there were areas of agreement and Home Office adjusted its proposals following this consultation.

Since work began on the new distribution mechanism, written representations have been received from many different types of local authority affected by proposed changes. Some of this has been Ministerial but correspondence has been dealt with by officials.

The outcome of the new mechanism was announced to Chief Executives in a letter dated 26 May.

Mr. Lidington: To ask the Secretary of State for the Home Department if he will list in respect of each local authority in England and Wales *(a)* the amount paid in civil defence grant in 1999–2000, *(b)* the provisional maximum allocation of civil defence grant for 2000–01 and *(c)* the provisional maximum allocation of civil defence grant for 2001–02; and if he will make a statement. [88881]

Mr. George Howarth: The completion of the local government reorganisation process has provided an opportunity to reassess the distribution of civil defence grant to local authorities in England and Wales, and consultation has taken place between Home Office and the Local Government Association (LGA). An announcement about the new mechanism was made to Chief Executives in a letter of 26 May.

As the information required is lengthy, tables have been placed in the Library. Copies of these tables were sent to the LGA and the Society of Local Authority Chief Executives (SOLACE) at the time of the announcement.

Interception of Communications Act 1985

Mr. Baker: To ask the Secretary of State for the Home Department (1) if he will make a statement on the relative increases between 1997 and 1998 on the number of warrants issued by the (i) Secretary of State

for the Home Department and (ii) the Secretary of State for Scotland under the Interception of Communications Act 1985; [88720]

(2) what reasons underlie the increase in warrants allowing interception of telecommunications issued by him in 1998 under the Interception of Communications Act 1985. [88719]

Mr. Straw: In his annual report for 1998, the Interception Commissioner records that the substantial increase in interception is due to the continuing incidence of large-scale crime and the greater interception facilities available to meet it. He was satisfied that the strict statutory criteria continued to be applied.

He further recorded that the police and Her Majesty's Customs and Excise, assisted in some cases by the security and intelligence agencies, have had many outstanding successes; and that interception of communications remains an effective and an essential operation in the interests of national security and of safeguarding the economic well being of the United Kingdom, and in the prevention and detection of serious crime. Examples of the value of interception in the fight against serious crime are given in the consultation paper on interception of communications which I published on 22 June.

Mr. Baker: To ask the Secretary of State for the Home Department (1) how many warrants issued under the Interception of Communications Act 1985 and in force on 31 December 1998 had as their justification (i) the prevention or detection of serious crime, (ii) the interests of national security and (iii) the safeguarding of the economic well-being of the UK; and how many warrants were issued which did not cite one of the above three reasons as its justification; [88718]

(2) how many warrants have been *(a)* applied for and *(b)* granted under the Interception of Communications Act 1985, where the justification given was to safeguard the economic well-being of the United Kingdom and where the intended target was a UK citizen or citizens. [88721]

Mr. Straw: The Annual Report of the Commissioner appointed under the Interception of Communications Act 1985, published on 17 June, records the number of interception warrants issued annually by the Home Secretary and the Secretary of State for Scotland. Paragraph 29 of the Report gives the reasons for not providing further information concerning the purpose for which warrants were issued. I consider that it remains in the public interest to follow the established practice and not to provide any more detailed breakdown of the figures in the Commissioner's Report. No warrant may be, or has been, issued unless it is considered necessary to do so in the interests of national security; for the purpose of preventing or detecting serious crime or for the purpose of safeguarding the economic well-being of the United Kingdom.

UK Passport Agency

Mr. Lidington: To ask the Secretary of State for the Home Department what the volume was of incoming telephone calls from the 0990 service to each office of the UK Passport Agency in each month since May 1997. [88878]

Mr. Mike O'Brien: The number of incoming telephone calls transferred from the 0990 service to each office in the UK Passport Agency in each month since May 1997 is shown in the table.

In addition to these calls transferred from the 0870–0990 service, each Regional Office receives calls from an alternative number, which is given out by recorded courtesy messages and high street partners.

Number of effective calls transferred to each regional office TEB by 0990 service

Date	*Belfast*	*Glasgow*	*Liverpool*	*London*	*Newport*	*Peterborough*	*Total*
1997							
May	4,730	18,540	27,037	16,502	27,987	21,448	116,244
June	6,545	21,216	26,665	19,283	29,634	22,795	126,138
July	5,044	17,353	25,740	38,452	29,496	16,767	132,852
August	4,465	14,687	19,439	29,086	23,472	15,409	106,558
September	4,094	14,350	22,954	22,273	27,983	19,373	111,027
October	2,728	15,885	20,255	18,459	25,501	19,201	102,029
November	1,191	12,561	14,228	8,525	19,094	15,850	71,449
December	1,555	11,582	15,532	8,559	18,907	14,784	70,919
1998							
January	3,302	15,235	21,880	11,447	33,414	22,802	107,090
February	2,040	15,378	21,855	13,224	32,441	21,587	106,525
March	4,493	19,367	28,962	14,805	40,089	23,573	131,289
April	6,092	17,774	24,836	13,573	37,546	19,817	119,638
May	7,848	19,042	24,840	18,216	38,829	16,098	124,873
June	11,984	18,383	26,128	16,440	34,901	14,860	122,696
July	—	—	—	—	—	—	0
August	7,769	18,861	19,732	13,163	28,431	17,507	105,463
September	7,771	18,472	4,346	23,971	35,233	19,356	109,149
October	—	—	—	—	—	—	0
November	6,707	18,246	14,744	27,337	26,011	11,673	104,718
December	801	12,047	12,283	17,077	18,022	12,988	73,218
1999							
January	1,948	16,829	15,820	23,017	24,558	21,041	103,213
February	2,118	17,315	12,929	20,503	26,762	21,460	101,087
March	3,171	21,262	9,100	32,412	27,148	22,338	115,431
April	4,430	16,987	5,882	12,964	21,812	15,234	77,309
May	4,564	13,549	4,411	10,212	59,798	8,662	101,196

Mr. Lidington: To ask the Secretary of State for the Home Department what was the longest waiting time for personal callers at each office of the UK Passport Agency in each month since May 1997. [88962]

Mr. Mike O'Brien: The information requested on the longest waiting times for personal callers at each office of the UK Passport Agency in each month since May 1997 is set out in the table.

Maximum waiting time (minutes) for personal callers 1997, 1998 and 1999

Months	*London*	*Liverpool*	*Peterborough*	*Newport*	*Glasgow*	*Belfast*
1997						
September	106	60	63	30	77	32
October	95	40	70	30	58	15
November	130	60	55	30	60	20
December	172	90	75	20	68	20
1998						
January	122	80	40	30	65	20
February	189	70	40	45	67	25
March	150	60	50	40	60	25
April	158	70	50	30	49	10
May	120	90	45	40	67	15
June	250	80	100	45	86	15
July	216	110	100	45	87	20
August	141	110	105	40	51	30
September	171	100	60	40	56	20
October	134	100	60	40	55	10
November	73	100	90	40	48	5
December	188	100	80	30	50	5
1999						
January	114	100	40	25	57	20
February	169	100	55	35	39	25
March	225	140	60	45	56	15
April	238	140	90	50	56	60
May	323	140	150	55	75	60

Mr. Lidington: To ask the Secretary of State for the Home Department how many unprocessed passport applications were outstanding at the end of each week since 1 January 1999 at each office of the UK Passport Agency. [88882]

Mr. Mike O'Brien: The information requested on the numbers of unprocessed passport applications outstanding at the end of each week since 1 January 1999 is set out in the table.

Unprocessed passport applications 1999

Week ending	*London*	*Liverpool*	*Peterborough*	*Newport*	*Glasgow*	*Belfast*	*Total*
3 January 1999	3,938	9,585	8,111	10,630	22,969	5,591	60,824
10 January 1999	3,887	20,444	14,598	11,154	22,364	5,392	77,839
17 January 1999	2,843	23,029	20,466	10,327	24,548	9,632	90,845
24 January 1999	4,180	30,530	27,052	29,641	30,693	15,057	137,153
31 January 1999	5,249	31,173	39,966	31,750	40,532	18,610	167,280
7 February 1999	5,507	40,057	47,715	39,328	44,180	21,632	198,419
14 February 1999	5,976	52,161	51,326	46,823	47,107	18,393	221,786
21 February 1999	6,708	62,526	60,747	50,789	55,247	17,868	253,885
28 February 1999	8,095	81,396	60,206	57,540	58,605	14,351	280,193
7 March 1999	8,088	74,417	55,976	57,446	61,541	18,105	275,573
14 March 1999	8,047	83,115	61,608	56,545	63,942	20,147	293,404
21 March 1999	22,014	77,255	62,484	61,726	64,862	21,639	309,980
28 March 1999	9,748	76,895	65,214	59,839	65,851	27,151	304,698
4 April 1999	9,809	71,387	68,784	53,817	72,810	24,417	301,024
11 April 1999	9,820	73,169	67,893	55,792	75,311	29,195	311,180
18 April 1999	7,342	79,344	72,758	58,517	82,333	33,108	333,402
25 April 1999	8,113	87,892	88,253	58,993	90,121	33,279	366,651
2 May 1999	9,530	97,030	90,403	61,992	102,102	36,016	397,073
9 May 1999	12,505	107,352	91,646	65,888	108,655	38,466	424,512
16 May 1999	13,929	118,055	95,813	71,176	121,258	38,912	459,143
23 May 1999	13,602	137,897	99,398	76,465	124,524	33,999	485,885
30 May 1999	12,470	147,792	102,073	83,256	128,721	24,527	498,839
6 June 1999	11,684	143,093	93,411	87,005	127,416	25,049	487,658
13 June 1999	13,143	161,823	100,214	104,428	133,207	18,570	531,385
20 June 1999	11,607	184,362	100,089	113,007	136,594	19,877	565,536

Mr. Lidington: To ask the Secretary of State for the Home Department if he will place in the Library copies of the UK Passport Agency's business plan 1999–2000 and corporate plan 1999–02. [88880]

Mr. Mike O'Brien: I will place a copy of the UK Passport Agency's 1999–2000 Business Plan and 1999–02 Corporate Plan in the Library of the House once it has been approved, which I hope will be in the next few weeks.

Mr. Lidington: To ask the Secretary of State for the Home Department if he will list in respect of each office of the UK Passport Agency the volume of incoming telephone calls for each week since 1 January and the percentage of such calls which were answered within 60 seconds. [88877]

Mr. Mike O'Brien: The UK Passport Agency's published telephone inquiry number is a single non-geographical number (0870 5210410). The inquiry service is fronted by an automated menu system which, depending on the option selected, then routes calls to either an appropriate recorded message (for general inquiries) or an operator (for specific inquiries). Details of the volume of incoming calls are listed in the following table.

Month	*Recorded/ courtesy messages*	*Belfast*	*Glasgow*	*London*	*Liverpool*	*Newport*	*Peterborough*
January 1998	516,045	13,521	25,918	22,512	37,624	46,624	21,596
July 1998	563,559	11,196	24,457	15,305	36,151	41,376	25,153
August 1998	279,214	9,047	26,776	15,168	[1]—	34,086	23,936
September 1998	202,702	8,744	26,724	26,805	[1]—	[1]—	25,592
October 1998	291,458	10,764	23,576	30,123	13,569	[1]—	[1]—
November 1998	131,726	7,366	23,348	31,195	20,129	26,481	15,103
December 1998	192,176	1,412	17,292	20,712	17,969	22,465	16,796
January 1999	332,296	875	21,984	26,725	21,445	32,911	25,566
February 1999	370,537	4,152	20,878	23,691	17,421	35,479	27,982
March 1999	668,287	4,876	25,914	38,020	15,060	30,148	29,470
April 1999	669,048	9,249	19,822	15,324	10,914	25,695	20,036
May 1999	1,388,522	9,175	16,706	17,053	6,893	26,240	12,988

[1] Management information not available due to refurbishment work

It can be seen from the table that an element of the calls are answered centrally by recorded messages, while the remainder are transferred to the local office to be answered by an operator. The percentage of calls answered within 60 seconds by an operator is detailed in the following table. Gaps in the table occur when information is not currently accessible.

Volume of calls dealt with at each regional office and percentage answered within 60 seconds

Week	*Volume of calls answered*	*Percentage of calls answered within 60 seconds*
Belfast		
4 January 1999	—	—
11 January 1999	—	—
18 January 1999	1,037	93.10
25 January 1999	—	—
1 February 1999	875	91.90
8 February 1999	1,020	98.50
15 February 1999	1,095	98.90
22 February 1999	1,164	97.10
1 March 1999	—	—
8 March 1999	—	—
15 March 1999	—	—
22 March 1999	1,276	90.20
29 March 1999	931	92.30
5 April 1999	—	—
12 April 1999	1,883	84.20
19 April 1999	2,322	76.60
26 April 1999	2,544	71.30
3 May 1999	—	—
10 May 1999	—	—
17 May 1999	—	—
24 May 1999	2,220	25.10
31 May 1999	—	—
7 June 1999	1,869	20.30

Volume of calls dealt with at each regional office and percentage answered within 60 seconds

Week	*Volume of calls answered*	*Percentage of calls answered within 60 seconds*
Glasgow		
4 January 1999	3,829	24.00
11 January 1999	6,124	51.80
18 January 1999	6,703	63.90
25 January 1999	5,328	75.10
1 February 1999	5,059	69.00
8 February 1999	5,109	67.50
15 February 1999	5,325	74.90
22 February 1999	5,385	91.40
1 March 1999	5,344	86.10
8 March 1999	5,732	88.80
15 March 1999	5,463	88.20
22 March 1999	5,837	87.50
29 March 1999	4,430	85.20
5 April 1999	4,185	70.40
12 April 1999	4,541	74.10
19 April 1999	5,348	89.20
26 April 1999	4,867	78.50
3 May 1999	3,896	72.90
10 May 1999	4,705	74.30
17 May 1999	4,500	60.00
24 May 1999	3,606	51.20
31 May 1999	2,696	28.20
7 June 1999	4,187	57.00
Liverpool		
4 January 1999	4,544	49.10
11 January 1999	6,036	41.80
18 January 1999	5,630	43.20
25 January 1999	5,235	48.40
1 February 1999	5,033	48.90
8 February 1999	4,190	40.40
5 February 1999	4,007	33.80

Volume of calls dealt with at each regional office and percentage answered within 60 seconds

Week	Volume of calls answered	Percentage of calls answered within 60 seconds
22 February 1999	4,191	39.60
1 March 1999	3,684	52.60
8 March 1999	3,099	45.00
15 March 1999	3,387	61.70
22 March 1999	3,141	74.80
29 March 1999	2,476	84.40
5 April 1999	2,767	79.70
12 April 1999	2,459	80.70
19 April 1999	2,124	78.80
26 April 1999	2,045	91.80
3 May 1999	—	—
10 May 1999	1,843	16.80
17 May 1999	2,685	17.60
24 May 1999	1,049	22.70
31 May 1999	—	—
7 June 1999	—	—
London		
4 January 1999	7,304	86.80
11 January 1999	6,738	86.60
18 January 1999	6,565	88.80
25 January 1999	6,118	93.00
1 February 1999	5,714	95.60
8 February 1999	5,990	93.20
15 February 1999	5,902	86.60
22 February 1999	6,085	95.60
1 March 1999	7,700	87.00
8 March 1999	8,070	75.40
15 March 1999	8,315	77.80
22 March 1999	9,386	87.60
29 March 1999	5,606	71.00
5 April 1999	3,225	24.50
12 April 1999	3,653	15.80
19 April 1999	3,999	25.00
26 April 1999	3,390	10.60
3 May 1999	2,153	12.30
10 May 1999	3,775	18.20
17 May 1999	3,560	14.40
24 May 1999	2,870	6.40
31 May 1999	1,668	4.00
7 June 1999	3,027	8.20
Newport		
4 January 1999	8,482	15.80
11 January 1999	8,156	17.00
18 January 1999	8,070	16.90
25 January 1999	8,203	6.60
1 February 1999	8,398	6.80
8 February 1999	8,982	9.90
15 February 1999	8,798	12.60
22 February 1999	9,301	16.20
1 March 1999	—	—
8 March 1999	—	—
15 March 1998	—	—
22 March 1999	—	—
29 March 1999	—	—
5 April 1999	—	—
12 April 1999	—	—
19 April 1999	8,872	10.30
26 April 1999	8,323	13.50
3 May 1999	5,143	13.10
10 May 199	5,492	7.80
17 May 1999	4,618	0.00
24 May 1999	6,130	0.00
31 May 1999	—	—
7 June 1999	—	—

Volume of calls dealt with at each regional office and percentage answered within 60 seconds

Week	Volume of calls answered	Percentage of calls answered within 60 seconds
Peterborough		
4 January 1999	5,389	69.40
11 January 1999	6,505	82.30
18 January 1999	6,901	88.50
25 January 1999	6,771	81.60
1 February 1999	7,044	81.50
8 February 1999	6,986	66.40
15 February 1999	6,918	59.80
22 February 1999	7,034	65.80
1 March 1999	6,815	60.40
8 March 1999	6,720	64.30
15 March 1999	6,548	63.50
22 March 1999	6,101	57.90
29 March 1999	4,288	46.30
5 April 1999	4,504	47.40
12 April 1999	5,750	52.50
19 April 1999	5,352	38.60
26 April 1999	4,430	23.40
3 May 1999	3,094	24.50
10 May 1999	3,479	9.60
17 May 1999	3,173	9.80
24 May 1999	3,242	29.10
31 May 1999	3,558	45.40
7 June 1999	4,355	42.40

Mr. Lidington: To ask the Secretary of State for the Home Department what was the average time taken by the UK Passport Agency to send a substantive reply to correspondence from members of the public in each month in 1999 and for the most recent date for which information is available. [88884]

Mr. Mike O'Brien: The UK Passport Agency works to a target of 10 working days for replying to correspondence. Performance against this target is measured in terms of the percentage of replies sent within 10 working days and figures for the average time taken to reply are not available. The percentage of correspondence replied to within 10 working days in each month in 1999 is as set out in the table.

Month	Percentage
January	93
February	100
March	100
April	88
May	66

Mr. Lidington: To ask the Secretary of State for the Home Department if he will make a statement on the progress and conclusions of the 1999 review of the agency status of the UK Passport Agency. [88879]

Mr. Mike O'Brien: The 1999 review of the Agency Status of the UK Passport Agency was triggered last May and is expected to deliver its recommendations early next year.

Mr. Lidington: To ask the Secretary of State for the Home Department what the average time taken by the UK Passport Agency to acknowledge correspondence about complex cases was in each month of 1999 and for the latest date for which information is available. [88876]

Mr. Mike O'Brien: The UK Passport Agency normally acknowledges correspondence about complex cases within five working days. These are cases where there are complex issues and it is not possible to send a substantive reply within the ten working day target for dealing with correspondence. Figures are not available for the average time taken to send acknowledgements. However, in most complex cases, the five working day target is being met.

Mr. Lidington: To ask the Secretary of State for the Home Department what proportion of personal callers were seen within *(a)* 60 minutes and *(b)* 45 minutes at each office of the Passport Agency in each month since May 1997. [88883]

Mr. Mike O'Brien: The information requested on the proportion of personal callers seen within *(a)* 60 minutes and *(b)* 45 minutes in each month since May 1997 are set out in the following tables.

Personal callers seen within 60 minutes

Percentage

Month	*London*[1]	*Liverpool*	*Peterborough*	*Newport*	*Glasgow*	*Belfast*
1997						
September	61.00	100.00	92.00	100.00	88.00	100.00
October	63.00	100.00	98.00	100.00	100.00	100.00
November	71.00	100.00	100.00	100.00	100.00	100.00
December	42.00	90.00	96.00	100.00	99.00	100.00
1998						
January	85.00	91.20	100.00	100.00	96.00	100.00
February	58.50	98.00	100.00	100.00	95.00	100.00
March	66.00	100.00	100.00	100.00	100.00	100.00
April	89.21	98.40	100.00	100.00	100.00	100.00
May	57.90	90.00	100.00	100.00	93.00	100.00
June	[1]—	88.00	92.00	100.00	88.00	100.00
July	74.00	82.00	92.00	100.00	96.00	100.00
August	76.00	80.50	88.00	100.00	100.00	100.00
September	83.80	80.00	100.00	100.00	100.00	100.00
October	75.00	85.00	100.00	100.00	100.00	100.00
November	70.90	80.40	94.00	100.00	100.00	100.00
December	34.90	74.00	88.00	100.00	100.00	100.00
1999						
January	82.90	61.00	100.00	100.00	100.00	100.00
February	64.90	61.50	100.00	100.00	100.00	100.00
March	38.00	59.00	100.00	100.00	100.00	100.00
April	39.30	42.00	83.00	100.00	100.00	100.00
May	39.30	32.00	80.00	100.00	82.00	100.00

[1] Figures not currently available

Personal callers seen within 45 minutes

Percentage

Month	*London*[1]	*Liverpool*	*Peterborough*	*Newport*	*Glasgow*	*Belfast*
1997						
September	61.00	70.00	83.00	100.00	80.00	100.00
October	63.00	100.00	95.00	100.00	95.80	100.00
November	71.00	81.00	100.00	100.00	97.00	100.00
December	42.00	79.00	92.00	100.00	97.00	100.00
1998						
January	85.00	87.00	100.00	100.00	90.00	100.00
February	58.50	95.50	100.00	100.00	92.00	100.00
March	66.00	96.80	97.00	100.00	92.00	100.00
April	89.21	96.60	97.00	100.00	98.50	100.00
May	57.90	77.60	86.00	100.00	84.00	100.00
June	[2]—	83.80	87.00	100.00	81.00	100.00
July	74.00	57.45	82.00	100.00	90.70	100.00
August	76.00	60.50	70.00	100.00	98.00	100.00
September	83.80	67.80	90.00	100.00	97.00	100.00
October	75.00	72.95	81.00	100.00	97.00	100.00
November	70.90	59.75	90.00	100.00	99.00	100.00
December	34.90	59.05	75.00	100.00	98.00	100.00
1999						
January	82.90	53.25	100.00	100.00	98.50	100.00
February	64.90	56.10	90.00	100.00	100.00	100.00
March	38.00	54.00	85.00	100.00	98.00	100.00
April	39.30	18.00	70.00	100.00	96.00	100.00
May	39.30	8.00	60.00	100.00	65.00	100.00

[1] London office target is 60 minutes (figures reported above are against that target)
[2] Figures not currently available

Mr. Lidington: To ask the Secretary of State for the Home Department if performance-related pay forms part of the remuneration of the Chief Executive of the UK Passport Agency; and if he will make a statement. [88886]

Mr. Mike O'Brien: Remuneration for the Chief Executive is linked to the Senior Civil Service pay arrangements and no separate bonus is payable.

Mr. Lidington: To ask the Secretary of State for the Home Department what was the average time taken by the UK Passport Agency to send a formal response to complaints in each month in 1999 and at the most recent date for which information is available. [88885]

Mr. Mike O'Brien: The UK Passport Agency monitors its performance on responding to complaints on a quarterly basis, in terms of the percentage of complaints receiving a formal response within ten working days. Monthly statistics are not available. In the last quarter (January—March 1999), the UK Passport Agency sent a formal response to complaints within ten working days in 93 per cent. of cases.

Passport Office, Liverpool

Mr. Martlew: To ask the Secretary of State for the Home Department, pursuant to his answer of 26 May 1999, *Official Report*, column *151*, on the Passport Office, Liverpool, what compensation will be paid to applicants for passports who have incurred costs as a result of delays in the issuing arrangements. [88426]

Mr. Mike O'Brien: The UK Passport Agency's compensation policy is to reimburse the reasonable out of pocket expenses incurred by customers as a direct consequence of clear operational errors, or failure to provide an acceptable level of service by means of an ex-gratia payment. Each case is considered carefully on its merits and this policy will apply to any claims received relating to delays in issuing a passport. It is not the Agency's normal policy to make compensation payments for distress and inconvenience arising from such errors and failures.

Correspondence

Mr. Winnick: To ask the Secretary of State for the Home Department when the hon. Member for Walsall, North will receive a reply to his further letter of 2 June regarding a constituent (ref: 7519/99). [89030]

Mr. Mike O'Brien: I will reply shortly, but can say that Sukhwinder Kaur was given indefinite leave to remain in the United Kingdom on 13 June.

FOREIGN AND COMMONWEALTH AFFAIRS

Plutonium Transfers

Mr. Flynn: To ask the Secretary of State for Foreign and Commonwealth Affairs at which European Council Ministerial meeting the European Commission Memorandum of Understanding covering the transfer of plutonium processed in the European Union from Belgium to Japan was discussed and endorsed; what debate on the Commission proposal took place; and if a parallel memorandum covering transfer of United Kingdom plutonium to Japan has been considered by the European Council. [88014]

Mr. Hoon: There is no European Commission Memorandum of Understanding covering the transfer of plutonium processed in the European Union from Belgium or the United Kingdom to Japan.

The Japanese-owned plutonium which is due to be returned to Japan following its recovery from spent fuel reprocessed in France has been fabricated into mixed-oxide (MOX) fuel in Belgium under the terms of a diplomatic exchange of notes between Japan and the European Commission dated 10 February 1997. The exchange of notes was carried out in accordance with Article 101 paragraph 3 of the Euratom Treaty and the European Council were informed.

The Japanese-owned plutonium to be returned to Japan following its recovery from spent fuel reprocessed in the United Kingdom has been fabricated into MOX fuel under the terms of the bilateral agreement on nuclear co-operation between the United Kingdom and Japan which was renewed in October 1998. The European Commission was informed of the renewal of this agreement.

Kosovo

Mr. Cohen: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will place summaries of notes received from the Government of the Russian Federation about NATO's action in Kosovo during the course of the conflict in the Library. [88331]

Mr. Tony Lloyd: Communications from the Russian government received during this period were sent and received in confidence. They are therefore covered by exemption 1 (c) of the Code of Practice on Access to Government Information.

Iraq

Mr. Cohen: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the current proposals presented to the United Nations relating to Iraq from (i) the UK, (ii) France and (iii) other nations; and what response Iraq has made to each. [88326]

Mr. Hoon: The UK has tabled a comprehensive draft Security Council resolution on Iraq which would put the disarmament process back on track, is generous in its humanitarian provisions and would engage the Council more closely on Kuwaiti issues, including the 600 detainees. It would also give Iraq a clear path to the suspension and eventual lifting of sanctions. Our draft resolution is co-sponsored by the Netherlands, Argentina, Brazil, and Slovenia. Russia and France have also circulated draft resolutions. Iraq has thus far shown no inclination to accept any of the draft resolution being discussed.

Lithuania

Mr. Cohen: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the proposed cultural representation in Lithuania of *(a)* France and *(b)* Germany; and if he will make a statement. [88324]

Mr. Hoon: The French Cultural Centre in Vilnius has twenty-four members of staff, fifteen of whom are employed as French language teachers. The Goethe Institute employs six members of staff. We understand there are proposals to begin German language teaching.

The deployment of British Council personnel in the Baltic States is kept constantly under review, in the light of British cultural diplomacy objectives.

Mr. Cohen: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with the British Council on their proposed representation in Lithuania; how many staff, of what grades, will be deployed and at what annual cost; and if he will make a statement. [88325]

Mr. Hoon: The British Council office in Vilnius was opened in 1992. There are seven staff, six of whom are Lithuanian nationals. Under the British Council grading system one is at grade 7, three at grade 9 and three at grade 10. The British Council Director and Deputy Director in the Baltic States, based in Riga, have overall responsibility for Lithuania and visit Vilnius regularly. The annual cost of the British Council's office in Vilnius, including the library, seminar and examination facilities, is £205,000.

FCO officials are in regular contact with the British Council over their representation in the Baltic States, including Lithuania.

East Timor

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what progress is being made towards voter registration in East Timor in preparation for the referendum on 8 August. [88321]

Mr. Hoon: The Chief Electoral Officer of UNAMET has arrived in East Timor and a public information campaign has been launched in preparation of the UK organised consultation. Voter registration will begin once UNAMET is fully deployed. The date of the ballot has been put back by two weeks.

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the United Nations Security Council on violence in East Timor. [88319]

Mr. Hoon: We have played an active role at the United Nations Security Council, piloting two Security Council Resolutions (1236 and 1246) on East Timor. These Resolutions take note of recent violence in East Timor and commit the Indonesian Government to maintaining peace and security in the territory.

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what reports he has received concerning intimidation and displacement of the population in East Timor. [88320]

Mr. Hoon: We have received reports that militia groups in East Timor have carried out acts of violence against civilians and continue to exercise an intimidatory influence in some parts of the territory. Since the arrival of UNAMET personnel in Dili and Baucau, the security situation in those towns has improved dramatically. We expect the security situation in the rest of East Timor to improve once UNAMET is fully deployed.

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has received from *(a)* non-governmental organisations and *(b)* others about the security situation in East Timor. [88341]

Mr. Hoon *[holding answer 28 June 1999]:* We have recently received a large number of letters from non-governmental organisations, parliamentarians and members of the public making representations about the security situation in East Timor.

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the human rights situation in East Timor. [88345]

Mr. Hoon *[holding answer 28 June 1999]:* We remain concerned at the human rights situation in East Timor. We have repeatedly urged the leadership of the Indonesian Armed Forces to disarm and curb the activities of the militias responsible for much of the recent violence in the territory. We have also called on all sides to show utmost restraint.

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what contribution Her Majesty's Government have made to the UN Assistance Mission to East Timor; and if he will make a statement. [88357]

Mr. Hoon *[holding answer 28 June 1999]:* We have despatched seven British police officers with UN Bosnia experience to East Timor. They arrived on 21 June and formed part of the first contingent of the Civilian Police component of UNAMET. We are also planning to send two Military Liaison Officers to the territory. Our contribution to UNAMET is in addition to our US$1 million contribution to the United Nations Trust Fund for East Timor.

Somalia

Mr. Gorrie: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the Government's position regarding the current situation in Somalia. [88591]

Mr. Tony Lloyd: The United Kingdom supports the efforts of the Inter Governmental Authority on Development and the Standing Committee on Somalia to bring an inclusive, negotiated settlement to the civil war in Somalia.

But the main responsibility for achieving national reconciliation and for restoring peace rests with the Somali people themselves. A serious demonstration is now required by faction leaders and tribal elders of their commitment to the reconciliation process.

MOX Shipments

Mr. Llew Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his oral answer to the hon. Member for Bury, North (Mr. Chaytor) of 22 June 1999, *Official Report*, column 928, what the basis was for the Minister of State's statement that it would require a complex and highly specialised piece of equipment, plant and skills to separate plutonium from MOX fuel. [88654]

Mr. Hoon: The Minister of State's statement was based on the advice of the Government's technical experts in the UK Safeguards Office.

Immigration Cases (DNA Testing)

Ms Ward: To ask the Secretary of State for Foreign and Commonwealth Affairs what percentage of immigration cases required the production of DNA tests to prove family relationships in each of the last three years. [88220]

Mr. Hoon: DNA testing is used only in determining settlement applications. The statistics requested are as follows:

Year	Settlement cases	DNA tests commissioned	Percentage
1996	40,524	2,078	5.1
1997	48,149	1,743	3.6
1998	53,483	32,310	6.0

Details of the number of tests commissioned by individual posts can be obtained from the summary of entry clearance statistics, copies of which are available in the House of Commons Library. The 1998 statistics are being printed and are scheduled to be placed in the House Library within the next two weeks.

Sudan

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what reports he has received concerning the violation of ceasefire in February in Twic County, southern Sudan; and if he will make a statement. [88344]

Mr. Hoon *[holding answer 28 June 1999]:* We received a number of reports from NGOs of raiders making attacks in Twic County in February. These were taken up within the framework of Operation Lifeline Sudan (OLS).

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of Sudan's treatment of *(a)* Christians, *(b)* Animists and *(c)* Muslims in relation to the UN Commission on Human Rights' Resolution 1999/5 on Sudan. [88342]

Mr. Hoon *[holding answer 28 June 1999]:* The UN Commission on Human Rights resolution on Sudan this year expressed its deep concern at the continuing serious violations of human rights, fundamental freedoms and relevant provisions of international humanitarian law perpetrated by all parties to the conflict.

This was an EU sponsored consensus resolution. It has our full support.

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations Her Majesty's Government have made to the United Nations concerning the National Islamic Front's bombing of southern Sudan during Christian festivals. [88412]

Mr. Hoon *[holding answer 28 June 1999]:* The EU sponsored consensus resolution at this year's United Nations Commission on Human Rights calls upon the Government of Sudan to stop immediately the indiscriminate aerial bombardment of civilian targets.

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs how Her Majesty's Government, in consultation with its IGAD partners, intends to monitor ceasefire declarations in Sudan. [88343]

Mr. Hoon *[holding answer 28 June 1999]:* While there continues to be a limited ceasefire in Bahr el Ghazal, we continue to call for a comprehensive ceasefire throughout Sudan. The monitoring of such a ceasefire will need to be agreed within the context of the IGAD talks, the next round of which we hope to see start in Nairobi on 19 July.

INTERNATIONAL DEVELOPMENT

East European Partnerships

Mr. Flynn: To ask the Secretary of State for International Development if she will make a statement on the work of East European Partnerships in Russia. [88013]

Clare Short: We currently provide substantial support for Voluntary Service Overseas (VSO), part of which is used to fund VSO's East European Partnership programme. The programme in Russia responds to requests for volunteers from a variety of different sectors. At any one time there can be between 15 to 20 volunteers, mainly working with public authorities and supporting the health and social welfare sectors in the Urals area, with some support for the development of children's shelters in the Moscow area.

CULTURE, MEDIA AND SPORT

Churches and Monuments (VAT)

Mr. Nigel Jones: To ask the Secretary of State for Culture, Media and Sport if he will assess the advantages and disadvantages of exempting churches and national monuments from the requirement to pay VAT on restoration work. [88791]

Mr. Alan Howarth: My right hon. Friend the Secretary of State recognises that VAT on repairs to churches and historic buildings is an unwelcome additional cost to the careful conservation of such buildings. There is no zero-rate available under EC law. Current European legislation permits the introduction of reduced rates of VAT only for goods and services specified in Annex H to the Sixth VAT Directive. Repairs to historic buildings and churches do not feature in Annex H and so the Government legally cannot introduce a reduced rate.

Sports Cabinet

Mr. Nigel Jones: To ask the Secretary of State for Culture, Media and Sport if he will add representatives from the Department of Health and the Department for Education and Employment to the Sports Cabinet. [88498]

Mr. Chris Smith: The Sports Cabinet, which I chair, brings together the Sports Ministers of the four parts of the United Kingdom and others who are closely involved in the development of sport at an elite level and the achievement of excellence. It provides for a collective political discussion of the most strategic priorities for UK sport.

To assist us in the consideration of policy, the Sports Cabinet will also from time to time draw on a pool of independent figures to provide expert advice on particular issues. This could include non-executive members of the

UK Sports Council, prominent sports representatives and also Ministers or officials from affected Government departments.

The Ministers with responsibilities which affect sport in England also keep in close touch, and will continue to do so.

SCOTLAND

Kosovo

9. **Mr. Nigel Griffiths:** To ask the Secretary of State for Scotland what has been the impact of the conflict in Kosovo on public services in Scotland. [87522]

Mr. Macdonald: Local authorities and the NHS have provided a range of services to meet the needs of the Kosovan refugees who have come to Scotland for care as part of the Evacuation Programme. Local authorities and the voluntary sector are being reimbursed for additional costs incurred. The Scottish Refugee Council and the local authorities involved are to be congratulated for the splendid way in which they are handling this difficult situation.

Draft Concordats

11. **Mr. Swinney:** To ask the Secretary of State for Scotland what discussions he has had concerning draft concordats between United Kingdom Departments and the Scottish Parliament. [87524]

Dr. Reid: The UK Government intend proposing a range of concordats. These will guide working relations between the UK Government and the Scottish Executive.

Further and Higher Education

12. **Mr. Donohoe:** To ask the Secretary of State for Scotland what steps are being taken to increase access to Further and Higher Education. [87525]

Dr. Reid: In Further Education, an extra £100 million over the next three years will enable 40,000 more students from under-represented groups to participate.

In Higher Education, we have earmarked £60 million for widening access to disadvantaged students. Low income and disabled people will be helped to study part-time.

From 1 July 1999, this will be a matter for the Scottish Parliament.

Traffic Congestion (Aberdeen)

13. **Mr. Savidge:** To ask the Secretary of State for Scotland if he will investigate possible solutions to traffic congestion problems in the Aberdeen area. [87526]

Mr. Macdonald: Traffic management in the Aberdeen area is primarily the responsibility of Aberdeen City and Aberdeenshire Councils. I fully expect that they will address congestion problems in their interim Local Transport Strategies, which are due to be submitted to the Scottish Executive next month.

We provided in March a further £4 million from the Public Transport Fund for park and ride and bus priority measures on the A956 and A96.

From 1 July 1999, this will be a matter for the Scottish Parliament.

Elections

14. **Mr. Gray:** To ask the Secretary of State for Scotland if he will set up an inquiry to investigate the conduct of the Scottish parliamentary and local government elections. [87527]

Dr. Reid: My officials will be undertaking a review of the general conduct of the elections with returning officers and others. I am aware of some specific problems on 6 May which are already under investigation by the appropriate authorities and are being acted upon. I do not at the moment see any need for further investigation. From 1 July, conduct of local government elections will be a matter for the Scottish Parliament.

Air Links (Heathrow)

15. **Mr. David Stewart:** To ask the Secretary of State for Scotland if he will make a statement on the future of Scottish air links with Heathrow. [87528]

Mr. Macdonald: The Government recognise the need for good air links between Scottish airports and London airports, and we shall press the case for maintaining access for regional services in any revision of the EU regime. My right hon. Friend the Minister for Transport recently met a delegation from the Highlands to discuss their wish for an Inverness/Heathrow service. The Government are giving this further consideration.

Departmental Running Costs

16. **Mr. Ian Bruce:** To ask the Secretary of State for Scotland if he will make a statement on the running costs of his Department after 1 July. [87529]

Dr. Reid: I refer the hon. Member to the answer I gave to my hon. Friend the Member for Eastwood (Mr. Murphy) on 11 June 1999, *Official Report*, column *412*, about amending running costs provision for 1999–2000. I have been reviewing the functions of my Department after 1 July and I will make a further statement in due course.

Rail Services

17. **Mr. Doran:** To ask the Secretary of State for Scotland what measures the Government are taking to improve the quality of rail services in Scotland. [87530]

Mr. Macdonald: This financial year the Government will pay £206 million to secure train services in Scotland. ScotRail, the provider of almost all domestic services in Scotland, is the best performing mainland company in Great Britain.

Under devolution, Scottish Ministers will assume responsibility for funding the ScotRail franchise together with the authority to give the Franchising Director directions on the type of services expected from the company.

Hospital Waiting Lists

18. **Mr. Connarty:** To ask the Secretary of State for Scotland what steps have been taken to reduce hospital waiting lists; and if he will make a statement. [87531]

28. **Mr. Browne:** To ask the Secretary of State for Scotland how many people in Scotland are waiting for hospital treatment; and if he will make a statement. [87542]

Mr. Macdonald: On 31 March 1999, the number of people waiting for in-patient or day-case treatment was 70,227. This is a reduction of 10.6 per cent. on the previous quarter and is the largest quarterly fall in the waiting list for a decade. Hospital waiting lists have been cut by almost 22 per cent. in the past year, and the NHS in Scotland met the Government's target of reducing the waiting list to below 75,000 three years ahead of schedule.

From 1 July, this will be a matter for the Scottish Parliament.

University Funding

19. **Mrs. Laing:** To ask the Secretary of State for Scotland when he last met representatives of the Scottish universities to discuss their funding. [87532]

Dr. Reid: I have not met representatives of Scottish universities to discuss their funding. From 1 July, this will be a matter for the Scottish Parliament and it would be more appropriate for Scottish Ministers to do so.

Ministerial Responsibilities

20. **Sir Teddy Taylor:** To ask the Secretary of State for Scotland if he will make a statement outlining the issues on which he will answer questions in the House after 1 July. [87533]

Dr. Reid: The Procedure Committee's Fourth Report has made a number of recommendations on the range and details of the questions to be put to UK Ministers and on the consequential reformulation of the rules about Questions which are being considered by the Government. I will make a statement on this matter as soon as I am able to do so.

Small Businesses

22. **Mr. Bercow:** To ask the Secretary of State for Scotland if he will make a statement on the economic prospects for small businesses in Scotland. [87536]

Dr. Reid: The Government are laying the foundations for high and stable levels of growth. Interest rates are at their lowest level for 22 years, inflation is low, and the public finances are under control. Combined with cuts in the small business tax rate to 20 per cent., and a new 10p starting rate of tax for the smallest firms from April 2000, the economic prospects for small businesses are very encouraging.

Capital Investment (Schools)

23. **Mr. Russell Brown:** To ask the Secretary of State for Scotland if he will make a statement on capital investment in schools in Scotland. [87537]

Dr. Reid: I expect local authorities to increase capital investment in schools as a consequence of additional capital resources from the New Deal for Schools, the Comprehensive Spending Review, and school Public/Private Partnership projects.

From 1 July 1999, this will be a matter for the Scottish Parliament.

Community Schools (Glasgow)

24. **Mrs. Fyfe:** To ask the Secretary of State for Scotland what plans he has for community schools in Glasgow. [87538]

Dr. Reid: Lochend Secondary School in Easterhouse, Glasgow, was one of seven development projects funded in the 1998–99 financial year to illustrate practical aspects of the New Community Schools model. In March, we approved 37 pilot projects across Scotland, including Lochend. Each pilot project will operate for three years.

From 1 July 1999, this will be a matter for the Scottish Parliament.

Defence Expenditure

25. **Mr. Hood:** To ask the Secretary of State for Scotland what assessment he has made of the impact of UK defence expenditure on the Scottish economy. [87539]

Dr. Reid: On the basis of the most recent figures available, defence expenditure in Scotland at approximately £1.9 billion supports, directly and indirectly, some 55,000 jobs. Clearly, defence expenditure is both substantial and important to the Scottish economy.

Holyrood (Completion Costs)

26. **Mr. Syms:** To ask the Secretary of State for Scotland if he will provide a breakdown of the estimated costs of the completion of the new Scottish Parliament building at Holyrood in Edinburgh. [87540]

Dr. Reid: Legal and financial responsibility for the new Scottish Parliament building at Holyrood transferred from Scottish Office Ministers to the Scottish Parliament Corporate Body on 1 June 1999. The hon. Member can obtain information on the Holyrood Project from the Presiding Officer of the Scottish Parliament at the following address:

The Presiding Officer
The Scottish Parliament
Parliament Headquarters
Edinburgh
EH99 1SP.

Economic Development (Borders)

27. **Mr. Kirkwood:** To ask the Secretary of State for Scotland what further plans he has to promote economic development in the Scottish borders. [87541]

Dr. Reid: The Scottish Office has been keeping in close touch with the Borders Economic Development Forum to support the implementation of the "New Ways" economic strategy.

From 1 July 1999, this will be a matter for the Scottish Parliament.

Drug Misuse

29. **Dr. Moonie:** To ask the Secretary of State for Scotland what action is being taken to curb drug misuse in Scotland. [87543]

Mr. Macdonald: In March the Government enhanced Scotland's drugs strategy with the publication of "Tackling Drugs in Scotland: Action in Partnership". This document put in place a comprehensive action plan for tackling drug misuse in Scotland within a new framework for co-operation across agencies and communities.

From 1 July, the Scottish Parliament and Executive will have to hand the steps in "Tackling Drugs in Scotland" as they continue the task of reducing drug misuse in Scotland.

Criminal Law

Mr. Dalyell: To ask the Secretary of State for Scotland if he will make a statement on the division of Government responsibility relating to criminal matters between his Department and the Scottish Executive after 1 July. [87617]

Dr. Reid: From 1 July, Scottish criminal law, procedure and evidence will be matters for the Scottish Parliament and the Scottish Ministers, with the exception of matters which are reserved under Schedule 5 to the Scotland Act 1998 or are otherwise outwith the legislative competence of the Scottish Parliament under section 29 of the Act. The Lord Advocate will continue to have responsibility for decisions relating to the institution of criminal proceedings in Scotland and for the systems of criminal prosecution and the investigation of deaths in Scotland.

Appeals System

Mr. Dalyell: To ask the Secretary of State for Scotland what representations he has received relating to the system for appeals to the House of Lords from Scottish courts; and if he will make a statement. [87555]

Dr. Reid: I have received no representations with regard to the system for appeals to the House of Lords from Scottish courts. The Government have no present intention to change any of the arrangements for such appeals.

This is a devolved matter.

Beef on the Bone

Mr. Nicholas Winterton: To ask the Secretary of State for Scotland what powers the Scottish Parliament will have to lift the beef on the bone ban in Scotland. [87535]

Mr. Macdonald: This is a devolved matter. From 1 July 1999, the Scottish Parliament will have full powers in this area.

NORTHERN IRELAND

Oncologists

Mr. Paul Marsden: To ask the Secretary of State for Northern Ireland how many clinical and medical oncologists are employed per head of population in Northern Ireland; and if she will make a statement. [87870]

Mr. McFall: In the Northern Ireland Health and Personal Social Services, at 30 September 1998, there were 0.87 clinical oncology staff and 0.25 medical oncology staff per 100,000 population.

Purchasing Agency

Mr. Casale: To ask the Secretary of State for Northern Ireland what performance targets have been set for the Government Purchasing Agency in 1999–2000; and what arrangements have been made for publication for this year's plans. [89252]

Mr. Paul Murphy: As an Executive Agency within the Department of Finance and Personnel, the Government Purchasing Agency provides a professional procurement service to all six Northern Ireland Departments, the Northern Ireland Office and an increasing number of other public sector bodies.

The following key performance targets were set for the Agency in 1999–2000:

To break even in the 1999–2000 financial year by balance Agency income and operating costs.

To achieve a six per cent. rate of return on capital employed.

To increase the number of Agency customers by 10 per cent. over 1998–99.

To increase the volume of customer business by 10 per cent. over 1998–99.

To achieve a 90 per cent. level of satisfaction in the 1999–2000 Agency survey of customer organisations.

To achieve a 90 per cent. level of satisfaction in the 1999–2000 Agency survey of suppliers.

To increase the ratio of outputs to inputs by three per cent. from the 1998–99 outturn.

Background information is given in the Agency's Corporate and Business Plans, copies of which will be placed in the Library of the House before the summer recess.

DEFENCE

Royal Irish Regiment

Mr. Donaldson: To ask the Secretary of State for Defence how many companies have been disbanded in each battalion of the Royal Irish Regiment since the regiment was formed; and how many of these companies have been disbanded in the past two years. [87889]

Mr. Doug Henderson *[holding answer 22 June 1999]:* Since the formation of the Royal Irish Regiment Home Service on 1 July 1992 the following Battalions and Companies have been disbanded or amalgamated:

6th Battalion, The Royal Irish Regiment was amalgamated into 3rd Battalion, The Royal Irish Regiment in 1993. As a result Headquarters Company, 6th Battalion, The Royal Irish Regiment was disbanded.

Two part-time companies within 8th Battalion, The Royal Irish Regiment, E Company based at Aughnacloy and K Company at Dungannon, were amalgamated in 1993.

One full-time/part-time company within 3rd Battalion, The Royal Irish Regiment, B Company based at Kilkeel, was disbanded in 1997 and the personnel amalgamated into companies based at Ballykinler.

One part-time company within 3rd Battalion, The Royal Irish Regiment, E Company based at Portadown, was amalgamated into D and L Companies in June 1999.

The following companies have been created:

C Company, a full-time/part-time company within 3rd Battalion, The Royal Irish Regiment, was formed in Rathfriland in January 1993.

A Company and F Company, two full-time/part-time companies within 4th Battalion, The Royal Irish Regiment, changed to become full-time companies in November 1995.

One full-time company within 5th Battalion, The Royal Irish Regiment, F Company, was formed in Ballykelly in 1996.

One full-time company within 8th Battalion, The Royal Irish Regiment, F Company, was formed in Armagh in 1998.

There have also been a number of moves by companies within the battalions from one location to another.

None of the changes has resulted in personnel being discharged. Changes to the structure of the Royal Irish Regiment Home Service are based on operational and practical consideration in order that soldiers can be deployed to best meet their operational commitments in support of the Royal Ulster Constabulary.

Mr. Donaldson: To ask the Secretary of State for Defence (1) how many *(a)* part-time and *(b)* full-time soldiers there were in each battalion of the Royal Irish Regiment in each year since the regiment was formed; [87887]

(2) how many *(a)* part-time and *(b)* full-time soldiers there are currently in each battalion of the Royal Irish Regiment. [87888]

Mr. Doug Henderson *[holding answer 22 June 1999]:* The information requested is set out in the table.

Strengths of Royal Irish Regiment Home Service Battalions 1992–1999

BN	1992[1]		1993		1994		1995		1996		1997		1998		1999	
	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT
3	304	257	594	616	561	633	502	624	483	580	467	544	464	529	466	517
4	506	604	481	613	481	603	444	588	446	535	435	504	415	474	396	462
5	420	380	350	387	255	390	221	376	205	360	206	369	210	356	194	386
6[2]	335	407	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7	425	411	386	414	354	432	347	446	318	437	352	443	334	367	324	359
8	397	364	369	380	357	385	335	388	328	382	298	356	279	396	270	393
9	367	412	328	412	274	415	262	431	247	411	241	398	239	358	226	354

[1] The Royal Irish Regiment was formed on 1 July 1992
[2] 6 R Irish was amalgamated with 3 R Irish on 15 January 1999
Notes:
1. All strengths as at 31 December except 1999 for which figures are as at 31 May.
2. Figures exclude Regimental Headquarters, Depot and General Service personnel attached to Home Service Battalions.

Antonov 124

Mr. Hoyle: To ask the Secretary of State for Defence if regular Royal Air Force pilots have been trained to fly the Antonov 124. [88310]

Mr. Spellar: RAF pilots have not been trained to fly the Antonov 124.

Defence Diversification Agency

Mr. Hesford: To ask the Secretary of State for Defence if he will make a statement on the work to date of the Defence Diversification Agency. [88666]

Mr. Spellar: Following the publication of the White Paper, "Getting the Most out of Defence Technology" (Cmd 4088) in November last year, the Defence Diversification Agency (DDA) started work in January. The DDA, which is part of the Defence Evaluation and Research Agency, is working closely with other central and local government initiatives to improve access to defence-related technology and knowledge. The aim in particular is to provide means of access for small and medium-sized companies in the civil manufacturing sector. I opened the first Regional Office, manned by a Technical Diversification Manager, in Farnborough, at the beginning of April. A second is now open in Rosyth, and we expect two more to open in Malvern and Haslar, Gosport by the end of July. The DDA has already handled over 50 inquiries, from which nine projects have so far been developed. Discussions are underway with the aim of establishing other regional offices in the North West, Northern Ireland, South West, Wales and the North East. The DDA has also established Science Parks at Farnborough, Malvern, Porton Down and Gosport, which already have more than fifteen tenants.

Service Personnel (Hospital Treatment)

Mr. Key: To ask the Secretary of State for Defence if he will list the criteria and rules governing priority for the secondary treatment of service personnel at his Department's hospital units at *(a)* Peterborough, *(b)* Frimley Park and *(c)* Derryford. [88425]

Mr. Doug Henderson *[holding answer 28 June 1999]:* Following detailed discussions with the NHS during 1997 and 1998, the principles of a new Service Level Agreement have been developed to form a revised contract from 1999–2000 at the three existing MDHUs at Peterborough, Frimley Park and Derryford, and at the new MDHU Northallerton. This model will also form the basis of all future MOD contracts relationships with the NHS for providing treatment for Service patients and the hosting of Service clinical personnel. It contains the following.

Outpatients—50 per cent. of new referrals to be seen within four weeks and 90 per cent. within 13 weeks.

Inpatients—80 per cent. of patients requiring treatment to be seen within 3 months of the decision to treat.

The contract allows for a price premium to be paid if these targets are met. Where there is a pressing requirement to deploy Service personnel operationally, the single Service primary care authorities identify those patients who would benefit from rapid opinion and

treatment in conjunction with the MDHUs. An assessment would then need to be made on whether a change or intensification of treatment would return them to duty faster.

RN Hospital, Haslar

Mr. Key: To ask the Secretary of State for Defence if he will place in the Library a copy of the contract or service level agreement between RN Hospital, Haslar and the local NHS trust for the provision of district hospital services. [88423]

Mr. Doug Henderson: A Service Level Agreement exists between the Royal Hospital Haslar and the Portsmouth South East Hampshire Health Authority. A copy is being placed in the Library of the House.

Service Accommodation

Mr. Key: To ask the Secretary of State for Defence when he last met representatives of Annington Homes to discuss service accommodation; and if he will make a statement. [88363]

Mr. Spellar *[holding answer 28 June 1999]:* I had a meeting with Sir Thomas Macpherson, the Chairman of Annington Homes (Ltd) (AHL) and Colin James the then Chief Executive of the Defence Housing Executive (DHE), on 29 July 1997. Additionally, DHE staff from the Purchaser Interface Unit meet formally with AHL representatives quarterly for Joint Working Boards (the last meeting was 8 June 1999) and bi-annually for Joint Executive Boards (the last meeting was 31 March 1999). Informal contact takes place on a daily basis.

Compensation Claims

Mr. Key: To ask the Secretary of State for Defence how much his Department has paid in each of the past five years in respect of compensation claims for injuries incurred during *(a)* military service and *(b)* non-military service; and if he will make a statement. [88366]

Mr. Spellar *[holding answer 28 June 1999]:* The following amount of common law compensation was paid to members of HM Forces in each of the past five financial years for injuries sustained during service:

Year	*£*
1994–95	11,881,178
1995–96	12,132,450
1996–97	14,523,261
1997–98	25,278,430
1998–99	26,675,952

Information regarding the types of activity that members of HM Forces were engaged in when they suffered injury for which my Department subsequently paid compensation can be provided only at disproportionate cost.

Road Freight

Mr. Rapson: To ask the Secretary of State for Defence if he will make a statement on the future of the armed forces road freight distribution systems. [89291]

Mr. Doug Henderson: In March of this year, I agreed, subject to consultation with the Trades Unions and other interested parties, a proposal to rationalise the current single-Service road Freight Distribution Systems. The consultation process has now been completed and has raised no concerns that would change the decision to rationalise. I have, therefore, given my final approval to proceed with the rationalisation process.

This change will result in the formation of a new Defence Freight Distribution Group, whose headquarters will be located in Portsmouth, and which will operate under the new Defence Transport and Movements Agency. Rationalisation and integration of the current single-Service systems should bring savings of nearly one million pounds a year.

Overall, the rationalisation process will result in a net reduction of some 15 civilian and 2 military posts. Every effort will be made to identify new opportunities for those staff concerned.

The new organisation will form on 1 July, with full rationalisation by the end of August, once associated work to harmonise current single-Service consignment IT tracking systems has been completed.

CABINET OFFICE

Special Advisers

Mr. Matthew Taylor: To ask the Minister for the Cabinet Office on what dates Special Advisers from his Department have travelled abroad on official business since 2 May 1997; which countries were visited on each occasion; and what were the names of the Special Advisers who travelled on each occasion. [86291]

Dr. Jack Cunningham: Special Advisers from this Department travelled abroad on the following occasions since 2 May 1997:

Date of trip	*Location*	*Special Adviser*
14–17 July 1997	Washington	Andrew Lappin
7–12 September 1997	Canada/Boston	Andrew Lappin
5–11 October 1997	New Zealand/Australia	Andrew Lappin
19–21 April 1998	Ottawa	Mike Trace
21–24 June 1998	Washington	Andrew Lappin
6–14 June 1998	USA	Keith Hellawell
7–10 June 1998	New York	Mike Trace
13–19 October 1998	USA	Keith Hellawell
4–6 November 1998	Vienna	Mike Trace
28 November–3 December 1998	Washington/Boston	Tim Walker
16–19 January 1999	Vienna	Keith Hellawell
22–28 February 1999	Dubai/Pakistan	Keith Hellawell
23–24 February 1999	Rome	Tim Walker
16–19 March 1999	Prague/Vienna	Mike Trace
23 April-9 May 1999	Australia	Keith Hellawell
7–8 June 1999	Paris	Tim Walker

LORD CHANCELLOR'S DEPARTMENT

Immigration Appeals

34. **Fiona Mactaggart:** To ask the Parliamentary Secretary, Lord Chancellor's Department what forecast he has made of the average time taken to hear immigration appeals in *(a)* 2000 and *(b)* 2001. [87549]

Mr. Vaz: The IAA aim to maintain the current waiting times of six weeks to an initial hearing and a further six weeks to the substantive hearing, throughout 2000 and 2001, assuming that the number of cases does not go beyond the numbers forecast by the Home Office.

Office for the Supervision of Solicitors

35. **Mr. Gapes:** To ask the Parliamentary Secretary, Lord Chancellor's Department what plans he has to introduce measures to reform the Office for the Supervision of Solicitors. [87551]

Mr. Vaz: I announced to the House on 22 June 1999, *Official Report*, column 1018, during Report stage of the Access to Justice Bill, the Government's plans to take powers to establish an office of Legal Services Complaints Commissioner. The Commissioner will have powers to intervene to improve standards of complaints handling by the legal professional bodies. However, we do not propose to appoint a Commissioner, and thereby bring these powers into force, unless and until a professional body is clearly failing to make substantial progress in improving its complaints record.

I am pleased that the Law Society Council approved in principle the recommendations of the Ernst and Young report on the Office for the Supervision of Solicitors at their meeting on 23 June. I believe this is a step in the right direction. I hope the Law Society will be able to put their house in order.

State Apartments (Visits)

36. **Mr. Amess:** To ask the Parliamentary Secretary, Lord Chancellor's Department what recent representations the Lord Chancellor has received about visits to his State Apartments. [87552]

Mr. Vaz: Since 1 January 1999, the Lord Chancellor's Office has received 46 letters requesting visits to the Residence, and 14 requests to use the Residence for a fund-raising reception. The office estimates that there have been about 200 telephone calls inquiring about visits to the Residence. 28 letters have been received thanking the Lord Chancellor for the use of the River Room for charitable receptions, which have so far raised over £1.7 million.

Judicial Appointments

37. **Mr. Baker:** To ask the Parliamentary Secretary, Lord Chancellor's Department what progress he is making with his policy of ensuring that membership of the judiciary is representative of society as a whole. [87553]

Mr. Vaz: The Lord Chancellor appoints or recommends for appointment on merit those candidates who satisfy the qualifications laid down by Statute and who, in his opinion, best meet the criteria for appointment. Without prejudice to this overriding principle, and in accordance with his commitment to equality of opportunity, the Lord Chancellor would like to see more women and ethnic minority practitioners appointed to the judiciary and has introduced a number of measures to encourage applications from members of those groups, including more flexible part-time sitting arrangements and a work-shadowing scheme.

39. **Mr. Gareth Thomas:** To ask the Parliamentary Secretary, Lord Chancellor's Department what plans he has to reform the method for appointment of judges. [87558]

Mr. Vaz: The Lord Chancellor keeps the arrangements for appointing judges under review. He has taken a number of steps to improve the openness, flexibility and effectiveness of the judicial appointments process. At the level of circuit judge and below, the Lord Chancellor has arranged for judicial and lay members to be involved in the selection of candidates for interview, as well as in the interviews themselves; he requires assessments of candidates to be specifically related to the criteria for appointment; he has introduced greater flexibility into the sittings arrangements for part-time judicial appointments; and he has recently introduced a scheme under which practitioners interested in applying for judicial appointment may apply to "shadow" a serving judge. He has ended the system under which appointments were made to the High Court Bench by invitation only: vacancies are now advertised and candidates may apply for appointment. All but the most senior judicial appointments are now made through a process of open and advertised competition. The Lord Chancellor will nevertheless continue to consider the scope for further improvements to the judicial appointments process.

Small Claims Courts

38. **Mr. Flight:** To ask the Parliamentary Secretary, Lord Chancellor's Department what arrangements he is making to publicise the transitional arrangements regarding the new procedures for small claims courts; and if he will make a statement. [87554]

Mr. Vaz: Transitional arrangements were covered in Part 51 of the Civil Procedure Rules, published on 29 January. The Civil Justice Reforms introduced on 26 April changed the way in which small claims are now handled. Defended claims are now allocated to one of three tracks; the small claims, the fast or the multi-track. All tracks were treated in the same way in terms of publicity, as they are the foundation of the new, unified civil justice system.

The Court Service took steps to inform its customers of these changes. Posters were placed in court buildings in March; information slips were sent out with every piece of outgoing mail; and people attending the court personally to issue summonses were informed of the changes. Copies of "A Court User's Guide to the Civil Justice Reforms" were available in all courts and information was also available on the Lord Chancellor's Department's website. Some local papers published an article about the reforms by the Lord Chancellor.

Legally-aided Family Mediation

Mr. Kidney: To ask the Parliamentary Secretary, Lord Chancellor's Department if legally-aided family mediation will be available under the provisions of the Family Law Act 1996. [88186]

Mr. Vaz: Public funding for family mediation is provided under Part III of the Family Law Act 1996, which came into force in May 1997. The provisions of

Part III of the Act are being implemented by means of contracts for family mediation services granted by the Legal Aid Board. A total of 140 mediation services throughout England and Wales have already been awarded contracts and a further 110 contracts will be awarded by the end of July 1999.

Family Law Act 1996

Mr. Kidney: To ask the Parliamentary Secretary, Lord Chancellor's Department what his Department's timetable is for implementing the remaining provisions of the Family Law Act 1996. [88185]

Mr. Vaz: I refer my hon. Friend to my written Parliamentary answer to my hon. Friend the Member for Dartford (Dr. Stoate) on 17 June 1999, *Official Report*, column *213*. No decision about implementation of Part II has been made.

Section 60 permits the making of Rules of Court to allow third parties to apply for orders under Part IV of the Act on behalf of victims of domestic violence. Detailed consultation will be needed to assess the practicality and resource implications of implementing this section of the Act. No timetable has yet been fixed for this process.

Section 64 enables the Lord Chancellor to make Regulations providing for the separate representation of children in proceedings in England and Wales under Part II, and in certain other proceedings. No decision has yet been made as to whether this should be implemented.

Basingstoke Magistrates Court

Mr. Hunter: To ask the Parliamentary Secretary, Lord Chancellor's Department what representations he has received about the temporary arrangements for the Basingstoke Magistrates Court; and how long he expects these arrangements to be in place. [87550]

Mr. Vaz: I have received 5 representations. Basingstoke Magistrates Court will remain temporarily closed until the building works to the adjacent police station are completed in May 2000. I must stress this closure is a temporary measure only.

Legal Aid

Mr. Simon Hughes: To ask the Parliamentary Secretary, Lord Chancellor's Department what estimate he has made of the number of people in each of the next five years who will be ineligible for legal aid who were previously eligible. [87557]

Mr. Vaz: The financial eligibility limits are increased each year in line with other welfare benefits. While there are no formal estimates for future years, we expect that eligibility for civil legal aid will remain at or near its present level. Nothing in the Access to Justice Bill itself will change the position on financial eligibility. However, the Government intend to consult on a number of possible changes to the financial criteria. One of these would be to increase the number of people eligible for advice and assistance, to bring it back into line with that for representation in litigation.

Legal Services Ombudsman

Mr. Casale: To ask the Parliamentary Secretary, Lord Chancellor's Department when the Legal Services Ombudsman intends to publish her eighth annual report. [89292]

Mr. Vaz: The Legal Services Ombudsman has today published her eighth Annual Report, and copies have been placed in the Libraries of both Houses.

Community Legal Service

Dr. Tony Wright: To ask the Parliamentary Secretary, Lord Chancellor's Department, when he expects the community legal service to be fully operational. [87546]

Mr. Vaz: The Community Legal Service (CLS) will be established under the provisions of the Access to Justice Bill, which is still before Parliament. Our aim is that Community Legal Services will be available to the great bulk of the population of England and Wales by the beginning of 2002.

As the first step, Pioneer and Associate Pioneer partnerships are being established, as described in the Consultation Paper published on 25 May. These will be operational by the end of 1999 and will cover nearly a quarter of the population of England and Wales. In addition, as the Consultation Paper describes, the Lord Chancellor's Department aims to establish by the end of 1999 core quality criteria for accrediting advice centres to the CLS, and to launch a CLS website on the internet early in 2000.

Subsequent establishment of further partnerships will depend on assessment of the needs of, and advice delivery systems for, each area in which partnerships will operate. It will also need to take account of experience with Pioneers and Associate Pioneers. Progress will therefore depend on actions by many prospective partners, as well as by the Lord Chancellor's Department and the Legal Services Commission.

TREASURY

EU Expenditure

Mr. Bercow: To ask the Chancellor of the Exchequer if he will list the Communities budget lines frozen following the ECJ ruling of 12 May 1998 (C-106/96); and if he will make a statement on the planned unblocking of these. [86729]

Ms Hewitt: Following the ECJ ruling of 12 May 1998, the Commission suspended a number of budget lines which lacked, or were thought to lack, a legal basis for expenditure on the activities to which they related. Efforts were made to free up certain lines—for example, action against illegal and harmful content on the Internet—quickly, in order that the appropriations entered on these lines in the 1998 budget could continue to be accessed.

Legal bases for a number of other budget lines, or parts of other budget lines, have now been identified by the Commission and funding for these activities has now resumed under a proper legal basis.

Budget article	Description
B2–5122	Enhancing public awareness of the Common Agricultural Policy
B2–706	Action programme to promote the combined transport of goods
B2–910	Specific operation in favour of small-scale fisheries and small-scale coastal fishing
B3–1006	Promotion and safeguard of regional and minority languages and cultures
B3–1011	European voluntary service
B3–2003	European cultural development policy
B3–2012	European multilingual networks: cinema, television, radio
B3–2020	Sport in Europe
B3–4005	European Centre for Industrial Relations
B3–4101	Co-operation with charitable associations
B3–4106	Co-operation with non-governmental organisations and associations formed by people with disabilities and support for their activities
B3–4108	Measures in favour of the family and children
B3–4114	Measures to combat racism, xenophobia and anti-Semitism
B3–4116	Co-operation with non-governmental organisations and associations formed by the socially excluded and the elderly
B3–4304	Health and well being
B3–4310	Health protection, hygiene and safety at work, including a subsidy for the European Trade Union Technical Bureau for Health and Safety
B3–4312	Assistance for victims of accidents in the coal and steel sector and orphans allowances
B3–4313	Action for safety at work in Europe (SAFE)
B3–440	Combating drugs—Global aspects
B4–1031	SAVE II (Promotion of energy efficiency)
B4–1040	European Energy Observatory
B5–100	Measures in favour of consumers with regard to products and services
B5–103	Measures to improve consumer health
B5–300	Strategic programme on the internal market
B5–303	Customs 2000
B5–321	Measures in the social economy sector (co-operatives, mutuals, associations and foundations)
B5–324	Action to encourage transfrontier provision of equity capital for small and medium-sized enterprises
B5–336	Action against illegal and harmful content on the Internet
B5–600	Policy on statistical information concerned with non-member countries
B5–7210	Networks for the interchange of data between administrations (IDA)
B7–4034	Financial co-operation with Turkey
B7–535	Co-operation with the countries of central and eastern Europe and the New Independent States under the Euratom Treaty
B7–544	Customs assistance missions in relation to Bosnia-Herzegovina
B7–6000	Community contribution towards schemes concerning developing countries carried out by non-governmental organisations
B7–611	Integrating gender issues in development co-operation
B7–643	Decentralised co-operation in the developing countries
B7–6602	New Transatlantic Agenda
B7–661	Community co-operation in action concerning anti-personnel mines
B7–662	Community participation in the enforcement of economic sanctions and trade embargoes imposed by the international community
B7–70	European Initiative for Democracy and the Protection of Human Rights
B7–851	Promotion of European Union exports to Japan
B7–852	Access to the markets of non-Community countries

Climate Change Levy

Dr. Kumar: To ask the Chancellor of the Exchequer for what reasons the climate change levy exemption is proposed for fuel consumed within the chemical reaction rather than fuel burned to initiate the reaction within chemical industry processes. [88069]

Ms Hewitt: The exemption for non-energy use of fuels is based on the broad principle, recommended by Lord Marshall in his report on "Economic instruments and the business use of energy", that processes which do not give rise to emissions of greenhouse gases should not be subject to climate change levy.

Dr. Kumar: To ask the Chancellor of the Exchequer if he will estimate the revenue which would be generated by charging of the climate change levy on the fuel burned to initiate reactions within chemical industry processes. [88103]

Ms Hewitt: It is not possible to estimate revenue derived from individual sectors until the final shape of the tax and the rates have been established.

Currency Speculation Tax

Mr. Barnes: To ask the Chancellor of the Exchequer if he will estimate the annual *(a)* worldwide and *(b)* UK revenues, assuming international agreement, from a tax on international currency speculation set at (i) 0.1 per cent., (ii) 0.25 per cent. and (iii) 0.5 per cent. [88226]

Ms Hewitt: The requested information could be provided only at disproportionate cost.

Sports Clubs

Mr. Nigel Jones: To ask the Chancellor of the Exchequer if he will estimate the cost of allowing voluntary sports clubs to become eligible for charity status. [88580]

Dawn Primarolo: Under charity law, most sports clubs are not eligible for charitable status. The cost of extending the charity tax reliefs and exemptions to all sports clubs would depend on the nature of the clubs concerned, but could be substantial.

VAT

Mr. Nigel Jones: To ask the Chancellor of the Exchequer if he will estimate the cost of reducing to 5 per cent. the requirement to pay VAT on restoration work for churches and national monuments. [88581]

Dawn Primarolo: There is insufficient data to provide the requested estimate.

Mr. Maude: To ask the Chancellor of the Exchequer what representations he has made to the European Commission with regard to the six-month time limit on claiming VAT in other member states. [88916]

Dawn Primarolo: The Government have made representations to the European Commission about the time limit for claiming back VAT in other member states on two occasions. On both occasions we drew attention to cases where a member state was in breach of the six-month time limit by which tax authorities must either refund the VAT claimed or give the reason for refusal.

Health Spending

Mr. Paul Marsden: To ask the Chancellor of the Exchequer if he will increase the funding allocated to the Department of Health under the Comprehensive Spending Review; and if he will make a statement. [88727]

Mr. Milburn: The Comprehensive Spending Review provided the biggest ever cash increase for the Department of Health, providing an extra £21 billion to the NHS in the UK as part of firm three-year plans. The spending plans for years beyond 2001–02 will be considered in next year's spending review.

Regional Development Agencies

Mr. O'Hara: To ask the Chancellor of the Exchequer (1) if he will publish the most recent figures showing the number of deaths where the cause of death was recorded as hypothermia in each of the regions covered by the new regional development agencies in the age ranges (i) 0 to 8, (ii) 18 to 24, (iii) 25 to 50, (iv) 50 to 65, (v) 65 to 85 and (vi) 85 years and over; [88652]

(2) if he will publish the most recent population figures of the regions to be covered by each of the new regional development agencies in the age ranges: (i) 0 to 8, (ii) 18 to 24, (iii) 25 to 50, (iv) 50 to 65, (v) 65 to 85 and (vi) 85 years and over; and what proportion of the population in each age range are *(a)* male, *(b)* female, and *(c)* of ethnic minority origin; [88646]

(3) if he will publish the most recent figures showing what proportion of the population of each of the regions to be covered by each of the regional development agencies live in households of only one person in the age ranges (i) 0 to 18, (ii) 18 to 24, (iii) 25 to 50, (iv) 50 to 65, (v) 65 to 85 and (vi) 85 years and over. [88647]

Ms Hewitt: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from John Fox to Mr. Eddie O'Hara, dated June 1999:

The Director of the Office for National Statistics (ONS) has been asked to reply to your recent questions concerning single occupancy households, death from hypothermia and population figures for the new regional development agency areas. I am replying in Dr Holt's absence.

The estimated percentages of the population in each age group who were living in a one-person private household in 1998 are given in the table below. The percentages have been estimated from the Labour Force Survey, a sample survey covering about 60,000 private households in the United Kingdom per quarter. The estimated percentages are therefore subject to sampling variability.

Percentage of the population who were living in a one-person private household, by age-group and Government office region, 1998 (spring and autumn quarters combined)

	Government office region								
	North East	*North West*	*Yorks and Humbs*	*East Midlands*	*West Midlands*	*Eastern*	*London*	*South East*	*South West*
All ages	12	12	12	11	11	11	14	11	11
0 to 17	0	0	0	0	0	0	0	0	0
18 to 24	6	5	6	5	4	5	7	4	5
25 to 49	9	10	9	9	8	9	14	10	9
50 to 64	16	14	13	11	13	11	17	12	12
65 to 84	37	36	34	32	32	31	37	31	30
85 and over	58	63	61	60	64	66	61	61	54

Note:
The South East GOR excludes London—which is a separate GOR
Source:
Labour Force Survey

Deaths where hypothermia was mentioned on the death certificate as the main or contributory cause of death, England and Wales, year of registration 1998

Regional development agency	*All ages*	*0–17*	*18–24*	*25–49*	*50–64*	*65–84*	*85+*
England and Wales	336	1	2	27	39	158	109
North East	17	0	0	1	1	6	9
North West	36	0	1	4	4	15	12
Yorkshire and the Humber	38	1	0	5	5	19	8
East Midlands	24	0	0	2	1	13	8
West Midlands	48	0	0	2	5	25	16
Eastern	35	0	0	4	3	15	13

Deaths where hypothermia was mentioned on the death certificate as the main or contributory cause of death, England and Wales, year of registration 1998

Regional development agency	All ages	0–17	18–24	25–49	50–64	65–84	85+
London	33	0	0	6	6	16	5
South East	47	0	0	2	8	19	18
South West	33	0	0	1	2	18	12
Wales	25	0	1	0	4	12	8

The population data for males and females are given in the attached table. The latest available data are the mid-97 population estimates.

The estimated percentages of the population in each age group living in private households (ie not including those living in institutions or the homeless) in 1998 who were of ethnic minority origin are given in the table below. The percentages have been estimated from the Labour Force Survey, and the estimates shown in the following table marked with[1] are based on a sample number of fewer than 30 persons of ethnic minority origin.

Percentage of the population living in private households who were of ethnic minority origin, by age-group and Government office region, 1998 (spring, summer, autumn and winters' quarters combined)

	Government office region								
	North East	North West	Yorks and Humbs	East Midlands	West Midlands	Eastern	London	South East	South West
All ages	2	4	5	4	10	3	25	3	1
0–17	3	7	9	6	15	5	36	5	2
18–24	[1]3	8	8	5	14	4	29	4	[1]2
25–49	2	4	5	4	10	4	25	4	1
50–64	[1]1	2	2	3	6	2	18	2	[1]1
65–84	[1]0	1	1	2	4	[1]1	10	1	[1]0
85 and over	[1]0	[1]0	[1]1	[1]0	[1]2	[1]0	[1]4	[1]0	[1]0

Note:
The South East GOR excludes London—which is a separate GOR
Source:
Labour Force Survey

Information on ethnicity has recently been published in an article in *Population Trends* no. 96 (Summer 1999) under the title "The Ethnic Minority Populations of Great Britain—the latest estimates" by Jeremy Schuman. Table 3(b) gives the area of residence by ethnic group for Great Britain, and this is broken down into Government Office Regions which have the same boundaries as the new Regional Development Agencies. Table 4(a) gives the age profile within each ethnic group as a percentage of the ethnic group, and Table 4(b) gives profile by ethnic group within each age group as a percentage of the age group. The text of the article gives information about the concentrations of particular ethnic groups within different regions.

Total population of English regional development agency areas by age and gender, mid 1997, in thousands

				As percentage of age group	
RDA area	Total	Male	Female	Male	Female
North East					
0–17	599.0	307.2	291.8	51.29	48.71
18–24	221.4	114.5	106.9	51.72	48.28
25–49	932.0	467.8	464.2	50.19	49.81
50–64	426.3	210.4	215.9	49.35	50.65
65–84	372.9	159.4	213.5	42.75	57.25
85+	43.0	10.7	32.3	24.88	75.12
Total	2,594.6	1,270.0	1,324.6	—	—
North West and Merseyside					
0–17	1,626.2	833.6	792.6	51.26	48.74
18–24	574.2	296.7	277.5	51.67	48.33
25–49	2,476.2	1,255.6	1,220.6	50.71	49.29
50–64	1,129.5	559.8	569.7	49.56	50.44
65–84	956.7	404.4	552.3	42.27	57.73
85+	124.9	30.5	94.4	24.42	75.58
Total	6,887.7	3,380.6	3,507.1	—	—

Total population of English regional development agency areas by age and gender, mid 1997, in thousands

				As percentage of age group	
RDA area	Total	Male	Female	Male	Female
Yorkshire and Humberside					
0–17	1,167.4	598.7	568.7	51.28	48.72
18–24	433.4	225.0	208.4	51.92	48.08
25–49	1,821.3	929.6	891.7	51.04	48.96
50–64	816.6	404.6	412.0	49.55	50.45
65–84	704.9	302.0	402.9	42.84	57.16
85+	93.5	23.7	69.8	25.35	74.65
Total	5,037.1	2,483.6	2,553.5	—	—
East Midlands					
0–17	947.9	487.5	460.4	51.43	48.57
18–24	348.6	179.4	169.2	51.46	48.54
25–49	1,509.0	764.7	744.3	50.68	49.32
50–64	689.2	345.5	343.7	50.13	49.87
65–84	587.5	259.2	328.3	44.12	55.88
85+	73.9	19.7	54.2	26.66	73.34
Total	4,156.1	2,056.0	2,100.1	—	—
West Midlands					
0–17	1,254.0	643.6	610.4	51.32	48.68
18–24	442.0	227.5	214.5	51.47	48.53
25–49	1,906.9	970.8	936.1	50.91	49.09
50–64	885.8	443.6	442.2	50.08	49.92
65–84	743.0	323.0	420.0	43.47	56.53
85+	88.8	22.8	66.0	25.68	74.32
Total	5,320.5	2,631.3	2,689.2	—	—
South West					
0–17	1,060.6	545.1	515.5	51.40	48.60
18–24	383.1	198.3	184.8	51.76	48.24
25–49	1,705.0	864.0	841.0	50.67	49.33
50–64	823.4	406.6	416.8	49.38	50.62

Total population of English regional development agency areas by age and gender, mid 1997, in thousands

RDA area	Total	Male	Female	As percentage of age group Male	Female
65–84	785.4	339.1	446.3	43.18	56.82
85+	118.2	32.1	86.1	27.16	72.84
Total	4,875.7	2,385.2	2,490.5	—	—
Eastern					
0–17	1,209.8	619.3	590.5	51.19	48.81
18–24	427.1	220.3	206.8	51.58	48.42
25–49	1,958.2	992.7	965.5	50.69	49.31
50–64	883.8	439.7	444.1	49.75	50.25
65–84	755.0	332.3	422.7	44.01	55.99
85+	99.9	27.7	72.2	27.73	72.27
Total	5,333.8	2,632.0	2,701.8	—	—
Greater London					
0–17	1,634.0	837.9	796.1	51.28	48.72
18–24	690.0	346.4	343.6	50.20	49.80
25–49	2,866.7	1,450.8	1,415.9	50.61	49.39
50–64	1,002.7	493.2	509.5	49.19	50.81
65–84	807.4	346.8	460.6	42.95	57.05
85+	121.1	31.3	89.8	25.85	74.15
Total	7,121.9	3,506.4	3,615.5	—	—
South East					
0–17	1,797.7	923.8	873.9	51.39	48.61
18–24	636.1	323.6	312.5	50.87	49.13
25–49	2,928.9	1,487.2	1,441.7	50.78	49.22
50–64	1,307.0	648.1	658.9	49.59	50.41
65–84	1,121.0	481.4	639.6	42.94	57.06
85+	167.6	44.6	123.0	26.61	73.39
Total	7,958.3	3,908.7	4,049.6	—	—

Note:
Data have been rounded to nearest hundred
Source:
ONS, Population Estimates Unit

Breast Cancer

Ms Perham: To ask the Chancellor of the Exchequer what was *(a)* the incidence of breast cancer by age breakdown and *(b)* the numbers of deaths from breast cancer among women in England for the latest year for which figures are available. [88658]

Ms Hewitt: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from John Fox to Ms Linda Perham, dated 29 June 1999:

The Director of the Office for National Statistics (ONS) has been asked to reply to your parliamentary question concerning the incidence of and deaths from breast cancer.

The number of newly diagnosed cases of female breast cancer (coded to International Classification of Diseases Ninth Revision [ICD9] 174) in England in 1994, the latest year for which data are available, appeared in a Parliamentary answer on 17 May (*Hansard* 90, column 281).

The mortality data requested are shown in the table below.

Number of deaths certified as due to female breast cancer

Age at death	England 1998 [1] Number of deaths
0–4	0
5–9	0
10–14	0
15–19	0
20–24	4
25–29	22
30–34	87
35–39	221
40–44	385
45–49	572
50–54	953
55–59	873
60–64	1,019
65–69	1,088
70–74	1,325
75–79	1,373
80–84	1,175
85 and over	1,915
All ages	11,012

[1] Data for 1998 are provisional

Influenza

Liz Blackman: To ask the Chancellor of the Exchequer what estimate he has made of the number of deaths resulting from last winter's influenza epidemic. [88771]

Ms Hewitt: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from John Fox to Liz Blackman, dated 29 June 1999:

The Director of the Office for National Statistics (ONS) has been asked to reply to your recent question on the number of deaths resulting from last winter's influenza epidemic. I am replying in Dr Holt's absence.

Between December 1998 and March 1999, the provisional number of deaths where the underlying cause of death was certified as due to influenza, using the International Classification of Diseases, was 529.

Rented Residential Accommodation

Mr. Campbell-Savours: To ask the Chancellor of the Exchequer what is his estimate of the value of tax receipts from corporation tax on privately rented residential accommodation in the last year for which statistics are available. [88818]

Dawn Primarolo: It is estimated that some £2¼ billion in corporation tax liability arose in 1996–1997 on companies' income from land and property. A separate estimate for rented residential accommodation is not available.

Mr. Campbell-Savours: To ask the Chancellor of the Exchequer what estimate he has made of the value of tax receipts from income tax on privately rented residential accommodation in the last year for which statistics are available. [88817]

Dawn Primarolo: It is estimated that about £900 million of income tax paid by individuals in respect of the 1997–1998 tax year arose from income from land and property. It is not known how much of this arose from residential accommodation.

Mr. Campbell-Savours: To ask the Chancellor of the Exchequer on what basis statistics are compiled by his Department on the revenue raised in the case of *(a)* privately rented residential property and *(b)* privately rented commercial property. [88815]

Dawn Primarolo: Statistics on the income of companies and individuals from land and property, and the corporation tax and income tax arising from this income, are based on analyses of representative samples of tax returns. As these returns do not show a split of rent income by type of property, separate statistics on the tax revenue from privately rented residential and commercial property are not available.

No statistics are available on capital gains tax, inheritance tax or stamp duties arising on rented property.

Mr. Campbell-Savours: To ask the Chancellor of the Exchequer what is his estimate of the value of tax receipts from capital gains tax on privately rented residential accommodation in the last year for which statistics are available. [88816]

Dawn Primarolo: The information requested is not available.

Rent-a-room Scheme

Mr. Campbell-Savours: To ask the Chancellor of the Exchequer what estimate he has made of the cost to the Exchequer of the rent-a-room scheme for each year since the introduction of the scheme. [88820]

Dawn Primarolo: It is estimated that the annual value of the rent-a-room relief is of the order of £20 million.

No more precise estimates are available.

Mr. Campbell-Savours: To ask the Chancellor of the Exchequer if he will undertake a pilot survey in three different tax districts including West Cumbria into the actual cost to the Exchequer in terms of lost revenue arising from the rent-a-room scheme. [88821]

Dawn Primarolo: Most of the Inland Revenue's information on people's incomes and tax affairs arrives via tax returns, to which access for analysis is already available on a sample basis. Little extra information is held by tax districts. Nor do tax districts have any means of knowing which people not completing tax returns are likely to be taking advantage of the relief.

Labour-intensive Services

Mr. Maude: To ask the Chancellor of the Exchequer what representations he has received with regard to the European Commission's proposal for reduced rates of VAT on labour-intensive services not subject to cross border competition. [88914]

Dawn Primarolo: We have received a number of representations suggesting services to which a reduced VAT rate might be applied in the UK under the proposed measure.

Mr. Maude: To ask the Chancellor of the Exchequer what representations he has made to the European Commission with regard to the Commission's proposal for reduced rates of VAT on labour-intensive services not subject to cross border competition; and if he will make a statement. [88915]

Dawn Primarolo: The UK has made no representations to the European Commission about this proposal.

Company Cars

Mr. Baker: To ask the Chancellor of the Exchequer, pursuant to his answer of 26 April 1999, *Official Report*, column *55*, how many company cars travelled (i) less than 10,000, (ii) between 10,000 and 13,000, (iii) between 13,001 and 16,000, (iv) between 16,001 and 18,500, (v) between 18,501 and 19,000, (vi) between 19,001 and 20,000, (vii) between 20,001 and 23,000, (viii) between 23,001 and 30,000 and (ix) more than 30,000 miles in the last year for which figures are available. [88789]

Ms Hewitt: The only available information on the total mileage of company cars is the National Travel Survey, but this does not have a large enough sample size to provide the detail requested. The available estimates, which cover company cars available for private use, are shown in the table.

Total annual mileage	*Number of company cars*
Less than 10,000	175,000
10,000 to 13,999	250,000
14,000 to 18,499	250,000
18,500 to 29,999	475,000
30,000 or more	450,000

Mr. Baker: To ask the Chancellor of the Exchequer how many company cars for the latest year for which figures are available, were of engine size *(a)* under 1000cc, *(b)* between 1000 and 1299cc., *(c)* between 1300 and 1499cc, *(d)* between 1500 and 1799cc, *(e)* between 1800 and 1999cc, *(f)* between 2000 and 2199cc, *(g)* between 2200 and 2499cc and *(h)* 2500cc and over. [88716]

Ms Hewitt: The best source of information on the engine size of company cars is the National Travel Survey, which covers only company cars available for private use. However, the size of the Survey allows for only a limited breakdown by engine size. According to the latest Survey, there were about 400,000 company cars with engine capacities up to 1600cc, and about 1,200,000 with larger engine sizes.

EU Contribution

Sir Teddy Taylor: To ask the Chancellor of the Exchequer for what reasons he is not yet able to publish the gross and net contributions made by the UK to the EC in 1998; and if he will make a statement summarising the arrangements for recording payments made and payments received from the EU within the Treasury. [88944]

Mr. Milburn: We expect to be able to do so very shortly.

EDUCATION AND EMPLOYMENT

European Communities Working Groups

Mr. Bercow: To ask the Secretary of State for Education and Employment if he will list the European Communities working groups which met over the last 12 months with a representative from his Department in attendance; if he will list the number of times each met; if he will indicate the nature of the Government's representation; and if he will make a statement. [88480]

Mr. Andrew Smith: In the last year, officials from the Department of Education and Employment have represented the UK at 12 meetings of the EC Education Committee and at 12 meetings of the Youth Working Group. DfEE officials have also attended one meeting of the Social Questions Working Group as observers. The UK is represented on Social Questions Working Group by officials of the UK Permanent Representation to the European Union.

Teachers (Canadian Qualification)

Mr. Paul Marsden: To ask the Secretary of State for Education and Employment for what reasons teachers who qualified in Canada receive lower pay than equivalent teachers who qualified in the United Kingdom. [88728]

Ms Estelle Morris: Teachers who qualified in Canada do not automatically have qualified teacher status (QTS) in England and Wales. If they work as teachers, they will be paid on the pay scale for unqualified teachers, unless they are working towards QTS through the Graduate Teacher Programme, in which case their school's governing body has the option of paying them as qualified teachers.

Schools (Performance Indicators)

Lorna Fitzsimons: To ask the Secretary of State for Education and Employment what work is being done on the development of school and teacher performance indicators with particular reference to issues relating to schools with a large percentage of students for whom English is an additional language. [88680]

Ms Estelle Morris: Our Autumn Package of performance data for schools currently benchmarks school-level achievements by reference to the proportion of pupils with free school meals (as a general indicator of disadvantage), and presents estimates of pupil progress between NC Keystages based on national samples of linked individual performance records.

The Department, in close collaboration with its education partners, is developing a national system of individualised pupil records which will give assessments of the value added by all schools and the progress made by pupils within them. This initiative will allow comparison of the progress of pupils with similar prior attainments and backgrounds, including the state of their English language development. The introduction of national assessments of school value added are planned to come on stream with the publication of KS3 to GCSE/GNVQ information in the Performance Tables in Autumn 2000.

Our proposals for a national scheme of school and teacher performance awards do not have features which are specific for schools with varying proportions of pupils with English as an Additional Language. Nevertheless, the School Performance Award Scheme proposed in the Green Paper "Teachers: Meeting the challenge of change" will reward schools whose performance is consistently of a high standard, or of a markedly improving trend, given their general level of disadvantage. The new performance management arrangements for individual teachers will be based on agreed objectives, which will take account of local circumstances.

Educational Provision (Children)

Mr. Kidney: To ask the Secretary of State for Education and Employment what collaborative work he is undertaking with Health Ministers to ensure that all looked-after children receive a high-quality education. [88851]

Mr. Charles Clarke: The Department of Education and Employment and the Department of Health are committed to raising the standards of education achieved by looked-after children, to bring these much more closely into line with those of their peers. Local authorities, as corporate parents, have a key role to play. We are currently consulting on draft guidance to local authorities about the education of looked-after children, stressing that:

- local authority social services and education departments need to work effectively together to support children's educational needs;
- every school should have a designated teacher to liaise with social services;
- every looked-after child should have a Personal Education Plan—recording long-term aspirations as well as short-term objectives;
- care placements should be made only where education provision is also secured.

This guidance is one element in the joint strategy of the two Departments, channelled primarily through the Quality Protects programme, and Standards fund provision for school inclusion and special educational needs. Over the next few months, we will be developing that strategy in the light of consultation responses, to ensure effective implementation.

New Deal 50-plus Scheme

Mr. Chope: To ask the Secretary of State for Education and Employment (1) if the earnings cap rules for people on the New Deal 50-plus scheme will take into account income from other sources with particular reference to investments and occupational pensions; and if he will make a statement; [89032]

(2) what will be the level of the earnings cap on income above which a person on the New Deal 50-plus scheme will be ineligible for an employment credit. [89033]

Mr. Andrew Smith: Our current proposals are that the Employment Credit will be paid only to people working full-time (over 30 hours a week) with income of less than £15,000 a year or part-time (16–30 hours a week) of £10,000 a year. The assessment of income will take into account earnings from the individual's employment, income from investments, income from property and occupational pensions. There will not be a capital test. The earnings limit is important to concentrate help on those most in need of added support in returning to work.

Disability Discrimination

Mr. Stephen Twigg: To ask the Secretary of State for Education and Employment if he will publish the National Disability Council's proposals for a revised Code of Practice on Part III of the Disability Discrimination Act 1995. [89250]

Ms Hodge: We have today published the new Code of Practice on access to goods, facilities and services and it will come into force on 1 October 1999 (replacing the Code issued in July 1996). Copies have been placed in the Library. The Code is based entirely on the National

Disability Council's proposals which were prepared following extensive consultation with disabled people, service providers and legal advisers.

The new Code provides guidance on the existing duties under Part III of the Disability Discrimination Act 1995, as well as those being implemented on 1 October. The Code gives practical examples of reasonable adjustments which can be made for disabled people and encourages service providers to adopt good practices when considering how to make their services and premises accessible to disabled people.

The Code of Practice is available from the Stationery Office (ISBN 0–11–271055–7) or from my Department's disability website (www.disability.gov.uk). The Code has been designed to be as accessible as possible and will be available in different formats, such as in Braille and on audio cassette. Further information and leaflets on the new provisions will become available over the summer.

International Labour Conference

Mr. Stephen Twigg: To ask the Secretary of State for Education and Employment if he will publish the White Paper on the instruments adopted at the 84 (Maritime) session of the International Labour Conference. [89251]

Mr. Andrew Smith: I have today published a White Paper entitled "International Labour Conference" and placed copies in the Library.

WALES

Health Service

Mr. Wigley: To ask the Secretary of State for Wales what consultations he had with *(a)* health authorities and *(b)* health trusts in Wales, during April, prior to making his decision on the comprehensive spending review settlement for the health service in Wales, (i) in general and (ii) on the impact on capital projects in their areas of the decision not to make resources available for capital developments in 1999–2000. [87992]

Mr. Jon Owen Jones: None. On 1 April, my right hon. Friend met health authority and NHS Trust representatives to discuss the financial position of the NHS, his spending decisions, and the fact that resources which might have been spent on new capital developments had been used to increase health authority revenue allocations.

Following the transfer of functions, this will be a matter for the National Assembly for Wales.

Mr. Wigley: To ask the Secretary of State for Wales what was the indicative figure used by his Department for capital expenditure within the National Health Service in Wales for 1999–2000 as at 1 April; and what is the figure under his comprehensive spending review. [87993]

Mr. Jon Owen Jones: My right hon. Friend's announcement on NHS spending on 30 March included capital provision in 1999–2000 of some £83 million—£48 million for Trust discretionary expenditure and £35 million for ongoing major schemes. This represented a £10 million uplift over 1998–99 provision. On 18 May, my right hon. Friend also announced an additional £21 million over the next three years for the NHS from the capital modernisation fund. Prior to 30 March, additional capital expenditure of up to £24 million on new schemes in 1999–2000 was under consideration, but no decision had been taken on allocating this to particular schemes.

Following the transfer of functions, this will be a matter for the National Assembly for Wales.

Mr. Wigley: To ask the Secretary of State for Wales if he will list those health sector capital schemes which had originally been intended to be commenced during the current financial year in Wales but which following the comprehensive spending review settlement made in April have not received capital allocation for 1999–2000; and if he will make a statement. [87997]

Mr. Jon Owen Jones: The Department considered proposals for public capital funding during August 1998 and provisionally approved 9 schemes for consideration for future capital funding:

Development of medium secure unit facilities at the Caswell Clinic, Bridgend;

Redevelopment of Mynydd Mawr Hospital, Llanelli;

Reprovision of mental health services for the Rhondda;

Development of a new community hospital to service North Merionydd/East Dwyfor;

Prince Charles Hospital, asbestos and fire precaution measures;

Bronglais General Hospital, repairs to external cladding;

Reprovision of Conwy Hospital;

Reprovision of residential services for learning disabilities—Gwent;

Remedial works to Iechyd Morgannwg Health Headquarters.

The proposals for Mynydd Mawr were subsequently withdrawn. The proposed scheme at Prince Charles Hospital is currently undergoing further review.

My right hon. Friend's NHS spending decisions did not allocate funding to these schemes in 1999–2000.

Following the transfer of functions, this will be a matter for the National Assembly.

NHS Trusts (Income and Expenditure)

Mr. Win Griffiths: To ask the Secretary of State for Wales if he will tabulate for each of the last three years for which figures are available for each NHS trust in Wales the total operating income and expenditure, the financial surplus or deficit, the external finance limit performance, the rate of return, management cost (M2), overhead costs, number of employees and the total staff employment costs. [88639]

Mr. Jon Owen Jones: I have arranged for copies of the tables requested to be placed in the Library of the House.

Following the transfer of functions, this issue will be a matter for the National Assembly.

HEALTH

Quality Protects Action Plans

Mr. Michael J. Foster: To ask the Secretary of State for Health what overall assessment he has made of the Quality Protects management action plans submitted by local authorities; and if he will make a statement. [89148]

Mr. Hutton: I have today placed in the Library a copy of the report "Mapping Quality In Children's Services: An Evaluation of Local Responses To The Quality Protects Programme".

When we launched the Quality Protects programme in September 1998, we required local authorities to submit annual Management Action Plans to show how they were intending to improve the management and delivery of children's social services. This report presents the key messages and findings from the first round of Management Action Plans (MAPs) which were received in January 1999. I am pleased that local authorities have responded with energy and urgency to the first stage of Quality Protects and that we were able to approve all 150 Quality Protects MAPs and authorise payment of the children's services grant for this year.

The report identifies many examples of good practice from across the country, but it also highlights major areas where improvement is urgently needed. It is now crucial that these plans are turned into action and we expect to see evidence of real progress by January 2000.

Xenotransplantation

Mr. Baker: To ask the Secretary of State for Health, pursuant to his answer of 16 March 1999, *Official Report*, column *636*, for what reason the report of the day's proceedings of the workshop on the possible risks posed by porcine endogenous retroviruses has not yet been published. [88640]

Mr. Hutton: The Report of the United Kingdom Xenotransplantation Interim Regulatory Authority Workshop on Porcine Endogenous Retroviruses was published on 23 June 1999. Copies can be obtained from the Department of Health, PO Box 410, Wetherby, LS23 7LL, Fax: 01937 845 381. The report will also be available on the UKXIRA website, address: www.doh.gov/ukxira.htm.

Copies of the report will be placed in the Library.

Transplant Surgery

Mr. Dalyell: To ask the Secretary of State for Health, pursuant to the Under-Secretary's letter of 1 December 1998 (POH(6) 5437/66) on transplant surgery, what assessment he has made of Japanese research on tardigrades and trehalose and the stabilisation of the structure of cell membranes. [87385]

Mr. Hutton: The research mentioned is at a very early stage and it is likely to be several years before any clinical trials take place. We will be keeping a close interest in the progress, however, and assess any further findings as and when they emerge.

Gene Pool (Commercialisation)

Mr. Dalyell: To ask the Secretary of State for Health, pursuant to the letter from the Minister of State for Public Health of 4 January (POH/3/5437/69) what assessment he has made of the Icelandic experience in the commercialisation of the gene pool. [87513]

Ms Jowell: I believe that the question refers to the Icelandic initiative to set up a centralised health sector database.

This database consists of a collection of selected health data derived from medical records. The database does not contain samples of either human tissue or DNA.

The development of such a database raises important questions of privacy and consent which have been extensively discussed in Iceland, both by the public and during the passage of the relevant legislation. The licensing of the database has satisfied Icelandic law and they are satisfied that it does not break any relevant international conventions or agreements. I understand that considerable efforts have been made to inform the Icelandic public about the database and the right of an individual to refuse participation. I shall continue to receive information on this relatively new initiative as it develops.

Speech and Language Therapists

Mrs. Organ: To ask the Secretary of State for Health how many students entered training for speech and language therapy in each year since 1995. [88417]

Mr. Denham: Between 1994–95 and 1997–98, the National Health Service was responsible for commissioning a small number of speech and language therapy places as reflected in the following table. During the same period, the Department for Education and Employment were also funding speech and language therapy education (see notes).

Since 1998, the National Health Service has assumed responsibility for all speech and language therapy training. This is also reflected in the table.

Number of National Health Service non medical education and training commissions for speech and language therapists

Year	*Number*
1994–95	74
1995–96	74
1996–97	74
1997–98	76
1998–99	468
1999–2000	477

Notes:

Data for 1994–95, 1995–96, 1996–97 and 1997–98 shows actual intakes.

Data for 1998–99 shows planned intakes and is subject to change.

Data for 1999–2000 shows forecast intake and is subject to change.

Prior to 1998–99 funding was available from the Department for Education and Employment.

The apparent step change in the number of commissions in 1998–99 is as a result of changes to funding arrangements.

No data is available for the total number of training commissions between 1994–95 and 1997–98 since most of the training during this period was funded through mainstream DfEE education.

Mrs. Organ: To ask the Secretary of State for Health what is the average waiting time for a patient to be *(a)* seen and *(b)* treated by a speech and language therapist in each health authority. [88419]

Mr. Hutton: Information relating specifically to appointments with speech and language therapists is not collected centrally.

Mrs. Organ: To ask the Secretary of State for Health what percentage of speech and language therapists have left the profession in each year since 1995. [88416]

Mr. Denham: This information is not collected centrally.

Mrs. Organ: To ask the Secretary of State for Health how many unfilled posts there are for speech and language therapy in each health authority. [88418]

Mr. Denham: In January 1999, my right hon. Friend the Secretary of State for Health, during his appearance at the House of Commons Health Committee, suggested that the Department should conduct a survey of staff shortages by the end of 1998–99. The results of this survey will be published in due course.

Private Finance Initiative

Mr. McWalter: To ask the Secretary of State for Health what assessment he has made of the effect on the asset base of the NHS of the increase in the number of PFI schemes. [88641]

Mr. Denham: Twenty five major hospital developments, worth almost £2.5 billion, have been given approval to proceed under the private finance initiative since 1 May 1997, 13 of which, worth nearly £1 billion, have already signed final contracts and begun building. As these developments will replace outdated hospital capacity with modern facilities and equipment, no separate assessment of their impact is necessary.

Bed-blocking (West Country)

Mr. Steen: To ask the Secretary of State for Health what steps he has taken to stop bed-blocking in each county in the West Country; and if he will make a statement. [88082]

Mr. Denham: The South West Regional Office of the National Health Service Executive and the Southern Office of the social services inspectorate have been working closely with health and local authorities in the South West to ensure that robust local plans are in place to reduce the number of delayed discharges. The number of delayed discharges in the South West Region fell by 18 per cent. in the year to 31 March 1999.

Smoking in the Workplace

Dan Norris: To ask the Secretary of State for Health what steps the Government are taking to restrict smoking in the workplace. [88215]

Mr. Meale: I have been asked to reply.

The Government's action on smoking was set out last December in our White Paper "Smoking Kills". The White Paper announced that the Health and Safety Commission would issue a consultative document asking for views about whether to introduce an Approved Code of Practice about smoking at work under the Health and Safety at Work, etc. Act 1974. The Commission intends to publish its consultative document at the end of July.

The draft Code on which the Commission is to consult gives advice to employers about how to devise and introduce, in consultation with their employees, appropriate smoking policies at work.

AGRICULTURE, FISHERIES AND FOOD

Belgian Food Contamination

Mr. Bercow: To ask the Minister of Agriculture, Fisheries and Food if he will list those countries which have had limitations placed on their exports by third parties as a consequence of the present Belgian food contamination situation. [87378]

Mr. Rooker: All EU member states, including the UK, currently have either bans or restrictions placed on food exports as a result of the problem of contaminated food in Belgium.

Mouse Breeding Facilities

Mr. Gordon Prentice: To ask the Minister of Agriculture, Fisheries and Food what is the annual cost of maintaining his Department's mouse breeding facilities; and what steps are taken to ensure that no mice are bred which are surplus to requirements. [87859]

Mr. Rooker: The annual running cost to maintain mouse breeding facilities at the two MAFF supported agencies is approximately £150,000 including staff costs.

All research projects which require mice follow a pre-planned experimental design which the agencies also clear with Home Office officials. This allows the number of each strain of mouse required by each project to be forecast in advance. By combining the requirements of each project, a breeding programme is devised which can be tailored to the research requirements.

Gluten

Mr. Paul Marsden: To ask the Minister of Agriculture, Fisheries and Food what steps he is taking to encourage food producers to include gluten content on their products' labels. [87871]

Mr. Rooker: In the last year, we have amended the Food Labelling Regulations 1996 to require "starch" and "modified starch" used as ingredients of foods to declare their specific vegetable origin where they may contain gluten. These changes will become compulsory with effect from 14 February 2000.

We are taking every opportunity to press the European Commission to bring forward more general proposals for identifying ingredients which could cause allergic or intolerance reactions and develop rules for gluten-free claims.

Poultry (Belgium)

Mr. Caton: To ask the Minister of Agriculture, Fisheries and Food when the Belgian authorities notified the United Kingdom Government that some of its poultry products were contaminated with dioxins. [87844]

Mr. Rooker: I refer my hon. Friend to the statement given by my right hon. Friend the Minister on 8 June 1999, *Official Report*, columns *480–81*.

Inland Fishery

Mr. Bennett: To ask the Minister of Agriculture, Fisheries and Food if he will list the moneys available to the Environment Agency for inland fishery work for each of the last five years. [88193]

Mr. Morley: The information requested for England and Wales is as follows:

£ million

Year	Grant in aid	Licence and other revenue	Total
1994–95	11.1	12.6	23.7
1995–96	9.7	13.7	23.4
1996–97	7.5	15.1	22.4
1997–98	7.4	15.2	22.6
1998–99	[1]22.1	—	[1]22.1
1999–2000	7.4	14.7	22.1

[1] In 1998–99 there was a temporary change in the rules whereby all revenue from licence fees was returned to Treasury but with an equivalent increase in grant in aid

Note:

Figures showing revenue and total income for 1999–2000 are forecasts only

Common Fisheries Policy

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food what is the estimated cost of the study announced by his Department into the discarding of fish at sea; and by whom it will be funded. [88576]

Mr. Morley: The total cost of the study into discarding of fish at sea to which my Department is contributing is 313,000 euro (approximately £205,000). It is mainly funded by the EU Commission together with national contributions from France, Netherlands and the UK. The UK contribution, which will be met by my Department, is £25,000 spread over the 18-month life of the project.

Small Abattoirs

Mr. Andrew George: To ask the Minister of Agriculture, Fisheries and Food (1) if he will publish the European Commission's response to his letter seeking clarification on the existence of derogations for smaller abattoirs and cutting plants which go beyond purely structural requirements; [88232]

(2) if the low-throughput abattoirs identified under Directive 64/433 are required to have the same level of veterinary supervision as the fully approved premises defined in Article 10 of the same directive. [88233]

Mr. Rooker *[holding answer 28 June 1999]:* The level and frequency of supervision of licensed low throughput (permanently derogated) slaughterhouses and cutting plants is under consideration as part of the Meat Charges Impact Study following recent guidance on this subject from the European Commission. An announcement will be made once the Study is completed. A copy of the Commission's guidance will be placed in the Library of the House at that time.

Extensification Schemes

Mr. Maclean: To ask the Minister of Agriculture, Fisheries and Food what representations he plans to make to the Commission to ensure that the extensification proposals take account of the larger stocking densities on British farms. [88347]

Mr. Rooker *[holding answer 28 June 1999]:* Member states have discretion to apply either one of two models for making extensification payments in the beef sector. The single-tier model offers 100 euros per head of eligible livestock to producers with stocking rates of less than 1.4 livestock units (LUs) per hectare, while the two-tier model offers 33 euros per head to producers with stocking rates of 2 LUs or less and 77 euros to producers with stocking rates of less than 1.6 LUs. I shall shortly be consulting the industry on which model we should adopt but would recommend the two-tier model (for the introduction of which we pressed in the negotiations of CAP reform) as being more nearly suited to UK farming practice.

Mr. Maclean: To ask the Minister of Agriculture, Fisheries and Food what estimate he has made of the number of farmers who would undertake extensification schemes if the stocking rates were set at *(a)* 1.6, *(b)* 2.0 and *(c)* 2.5 animals per hectare. [88346]

Mr. Rooker *[holding answer 28 June 1999]:* The Government do not have at their disposal sufficient data on the basis of which to make reliable estimates of the kind requested by the right hon. Member. Our "best guess" is that, were the UK to adopt the single-tier model for extensification payments, about 50 per cent. of the 73,000 or so producers receiving such payments under current rules would no longer qualify for them. We believe that with the two-tier model, this figure might reduce to 20 per cent.

Calf Processing Scheme

Mr. Maclean: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the consequences to the beef sector of discontinuing the calf processing scheme from the end of July. [88349]

Mr. Rooker *[holding answer 28 June 1999]:* Closure of the Calf Processing Aid Scheme on 31 July will benefit the beef sector. By removing the artificial floor in the market for calves, it will encourage UK production of manufacturing quality beef to displace imports.

Lindane

Mr. Boswell: To ask the Minister of Agriculture, Fisheries and Food (1) what assessment he has made of the relative risk to operators in the application of lindane *(a)* in closed systems for seed treatment and *(b)* in open systems for fumigation or other purposes; [88377]

(2) what assessment he has made of the alternative pesticides to lindane for the treatment before sowing of *(a)* cereal seed against wireworm and *(b)* oil seed against flea beetle; [88376]

(3) if he will defer withdrawal of lindane for those applications for which no suitable alternative pesticide is available. [88375]

Mr. Rooker *[holding answer 28 June 1999]:* The Government's first priority in respect of pesticides is the protection of people and the environment. In taking decisions, we are informed by the expect advice of the independent Advisory Committee on Pesticides.

In the case of lindane, the Committee considered the data available from the UK and EU reviews of lindane on effects on people and the environment. In particular, the

Committee assessed the risk to operators from each of the approved uses of lindane and advised that exposure during the seed treatment process was unacceptably high. On this basis, the Committee advised and the Government accepted that this use of lindane should end, subject to any representations regarding this decision.

In addition, the Committee advised that further data were required for other uses, specifically sprays applied to soil with subsequent incorporation, agricultural and horticultural smokes and dry powder applications, to refine the operator exposure assessment. The Government also accepted this advice.

Companies have been given until 28 June to make representations and we will consider any further cases they choose to make. However, the Government do not consider the absence of alternatives to be a reason to delay the withdrawal of pesticide approvals where unacceptable risks from short-term exposures have been identified. In the case of uses of lindane treatment of cereal seed against wireworm and oil seed against flea beetle, there are other approved products.

Milk Quota

Mr. Maclean: To ask the Minister of Agriculture, Fisheries and Food if he will oppose proposals in the Council of Ministers for the allocation of extra milk quota to Ireland and Spain. [88356]

Mr. Rooker *[holding answer 28 June 1999]:* The dairy reform proposals in the Agenda 2000 package agreed by the European Council on 24–25 March 1999 included specific allocations of milk quota to Italy, Spain, Greece, the Republic of Ireland and Northern Ireland, and a 1.5 per cent. linear increase in quota, phased in over three years, for all other member states including the UK. The legal texts of the Regulations implementing this agreement were adopted by the Agriculture Council on 17 May 1999.

Bovine Passports

Mr. Maclean: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the current average time it takes to obtain a bovine passport. [88348]

Mr. Rooker *[holding answer 28 June 1999]:* Currently, the British Cattle Movement Service send out around 90 per cent. of passports within three days of applications being received at the BCMS building in Workington.

School Milk

Mr. Maclean: To ask the Minister of Agriculture, Fisheries and Food what representations he has made to the European Commission on the EU subsidy for the supply of milk to certain school children. [88373]

Mr. Rooker *[holding answer 28 June 1999]:* My right hon. Friend the Minister raised the subject at the last Agriculture Council where he received considerable support for our view about the value of the current scheme.

Veterinary Medicines

Mr. Maclean: To ask the Minister of Agriculture, Fisheries and Food what estimate he has made of the costs of veterinary medicines in *(a)* the UK and *(b)* other European countries. [88355]

Mr. Rooker *[holding answer 28 June 1999]:* The pricing of veterinary medicinal products is not controlled by either UK or European Community legislation. Decisions on the wholesale costs of veterinary medicines are matters for the companies manufacturing the products, taking into account commercial factors such as development and production costs and anticipated volume of sales in the member state concerned. None the less, we have received representations about comparatively high prices of veterinary medicinal products in the UK and we are carefully considering the issues and whether further action is called for.

Flood Meadows

Mr. Dalyell: To ask the Minister of Agriculture, Fisheries and Food what actions he has taken in 1999 in respect of the protection of flood meadows. [87388]

Mr. Morley: The importance of flood meadows and the need for their protection is recognised in the UK Biodiversity Action Plan for coastal and floodplain grazing marsh which encompasses flood meadows. Our English agri-environment schemes, including the ESA and Countryside Stewardship schemes, provide payments for farmers and land managers for the protection and enhancement of this habitat.

In the three years 1999–2000 to 2001–02, an additional £40 million will be available in England for improvements and enhancements to the agri-environment schemes. Flood meadow land, along with other priorities, will benefit from this extra funding.

To date, over 8,000 ha of land have entered into Countryside Stewardship and over 40,000 ha are under ESA agreement in wet grassland areas identified by English Nature, which includes flood meadow habitats. These areas are target habitats under both schemes and additional land will be coming under agreement this year.

On 25 May, I announced proposals to add payments under the Countryside Stewardship scheme for raising and maintaining high water levels in grassland, including flood meadows.

During 1999, MAFF has continued to make good progress with its Water Level Management Plan initiative which is also an important tool in the protection of flood meadows. It has set up a Water Level Management Plan Advisory Group to encourage production of plans for floodplain wetlands. One of the first tasks of the Group is to produce additional guidance on preparation of WLMPs to help operating authorities. This task is progressing well and it is hoped that the guidance will be published shortly.

In March 1999, MAFF and the operating authorities agreed a new interim target of completing WLMPs for all European Sites by the end of March 2000, and for all other SSSIs by the end of 2000.

In the last 12 months, MAFF has approved grant aid in relation to WLMPs for two Internal Drainage Boards. These are the Rivers Idle and Ryton IDB for

refurbishment of Wiseton Pumping Station (total cost £71,000) and the Lower Yare Third IDB for pump replacement (total cost £22,000).

Water Discharge Levy

Mrs. Organ: To ask the Minister of Agriculture, Fisheries and Food what representations he has received from *(a)* the British Trout Association and *(b)* the Country Landowners Association concerning water discharges levies made by the Environment Agency. [88413]

Mr. Morley: I met the chairman and other members of the British Trout Association on 15 June and they made clear to me their concern about the level of discharge charges. I have received no representations on this topic from the Country Landowners Association.

Written Answers to Questions

Wednesday 30 June 1999

DEFENCE

Chemical Weapons Convention

Liz Blackman: To ask the Secretary of State for Defence what role his Department is playing in the implementation of the Chemical Weapons Convention. [89515]

Mr. Doug Henderson: My Department is playing a full part in meeting the UK's obligations under the Convention. Since the convention's entry into force in April 1997, the UK has received 28 routine verification inspections, of which 19 have been to defence or former defence facilities in the UK. All have been conducted successfully by the international Organisation for the Prohibition of Chemical Weapons, who oversee the treaty. Earlier this month, we held the latest in a series of successful exercises to simulate an incoming challenge inspection (which could be requested by another State Party) to a defence facility in the UK, in which inspectors and observers from the OPCW and overseas countries participated.

I am pleased to report that Ambassador Bustani, Director General of the OPCW, announced yesterday that CBD Porton Down has achieved the status of Designated Laboratory under the CWC, following its success in a series of demanding proficiency tests. This means that Porton is internationally recognised as competent to carry out analysis of chemical samples to the highest levels of accuracy. Such samples could be taken during routine or challenge inspections, including in cases of the alleged use of chemical weapons. Porton is one of only 12 laboratories worldwide to achieve this status.

Yesterday's announcement confirms both the world class scientific and technical excellence of Porton and the UK's full commitment to ridding the world of chemical weapons.

Meteorological Office, Newcastle

Mr. Martlew: To ask the Secretary of State for Defence what plans he has for the Meteorological Office in Newcastle; and if he will make a statement. [88280]

Mr. Spellar: This is a matter for the Chief Executive of the Meteorological Office. I have asked the Chief Executive to write to the hon. Member.

Letter from Peter Ewins to Mr. Eric Martlew, dated 30 June 1999:

I am replying to your question to The Secretary of State for Defence about Newcastle weather centre. This matter falls within my area of responsibility as Chief Executive of the Met. Office.

Following a comprehensive review of our forecasting processes, we recently announced plans to rationalise our national network of weather centres. The opportunities offered by improved technology will allow us to make greater use of automation in the production of weather forecasts and concentrate our activities at fewer locations, thereby maintaining the quality of the services we offer at a much reduced cost. As a result, we plan to close 5 weather centres over the next 2½ years, including Newcastle by the end of 2001.

I am confident that the accuracy of forecasts will remain as high as ever in the Newcastle area, and indeed improve as meteorology continues to advance. In particular, we aim to provide a better service to the public through closer working relationships with the BBC regions. We will also continue to collect observational data locally. Knowledge of local geography and meteorological conditions will always be important, but the latest advances in technology together with improved communications, will enable us to prepare and deliver forecasts remotely, more cost-effectively.

I can assure you that we remain wholly committed to our primary aim of providing our customers, now and in the future, with the range of services they require, in a timely and effective manner, at a price they can afford.

Service Children's Education

Mr. Key: To ask the Secretary of State for Defence what steps he is taking to ensure *(a)* parity of standards and *(b)* equality of opportunity between Service Children's Education and local authority provision in the UK. [88361]

Mr. Spellar *[holding answer 28 June 1999]:* Service Children's Education was established as a Defence Agency specifically to provide an education service to the children of Service and MOD personnel serving overseas, that conforms, as far as possible, to the scope and standards required by the Education Acts in England and Wales. Key Targets are set annually and those for 1999 were announced in the House on 9 June 1999, *Official Report*, column 329. Performance against Key Targets is reported in the Agency's Annual Report and Accounts which are laid before the House each year prior to the summer recess. To date, the Agency's performance has been slightly ahead of the UK LEA average.

The Agency's ownership is delegated by the Secretary of State for Defence to the Adjutant General, who is assisted in this task by an Owner's Advisory Board, the membership of which includes senior representatives from the DfEE, Ofsted, and Wiltshire LEA. All the Agency's teachers are UK qualified and all the Agency's schools are subject to regular inspections by Ofsted. The Agency is implementing all the Government's latest education initiatives, in particular the literacy and numeracy strategies, in its schools worldwide. It has also successfully introduced the provision of free nursery education for 4 year olds in 48 nursery and pre-school locations worldwide.

Parents have the right to express a preference in their choice of SCE school, although there is clearly less opportunity for choice in the more isolated locations. Although the Agency does try to meet Special Education Needs in its schools, it is not always possible to accommodate children with certain, more specialised needs especially in those areas lacking appropriate inter-agency support.

We have also taken action, through the Families Task Force, to ensure that local education authorities are sensitive to the position of Service children returning from abroad. There is now specific guidance on this point in the DfEE Code of Practice on Schools Admission Policy.

Defence Evaluation and Research Agency

Sir Michael Spicer: To ask the Secretary of State for Defence if, under the public-private partnership proposals

for DERA, that organisation will be deemed to carry the full risk of bankruptcy for the purpose of being able to borrow freely in the private capital market. [87372]

Mr. Spellar: No decisions have been made on the form of a PPP for DERA. However, regardless of the precise form of PPP, the Government would wish to ensure that it had rights to retain access to any strategic capabilities for use only in extreme circumstances, such as bankruptcy.

Millennium Compliance (Russia)

Sir Richard Body: To ask the Secretary of State for Defence if he will make a statement on the level of co-operation with Russia over year 2000 compliance. [87654]

Mr. Spellar: MOD officials took part in discussions with Russia on the Millennium compliance problem under the auspices of the NATO-Russia Permanent Joint Council prior to the commencement of the air campaign in the Balkans, when Russia suspended formal co-operation on defence issues. In April, a technical expert from the MOD attended a G8 Y2K meeting in Moscow. The possibility of trilateral talks between the UK, the US and Russia is being pursued.

Mutual Defence Agreement (USA)

Mr. Alan Simpson: To ask the Secretary of State for Defence if he will list *(a)* the number of personnel currently working in the United States under the auspices of the 1958 Mutual Defence Agreement, *(b)* which US facility they are working in and *(c)* their purpose for being there. [88136]

Mr. Spellar: There are four UK officials serving in the US under the auspices of the 1958 Mutual Defence Agreement (MDA). All are located in the British Embassy, Washington, DC. Their duties are to facilitate the conduct of bilateral business within the provisions of the MDA. In addition, there are three staff seconded from AWE Aldermaston to the US to assist with the technical development of facilities of mutual interest. Currently, two are stationed at the Los Alamos National Laboratory and one at the Lawrence Livermore National Laboratory.

Mr. Alan Simpson: To ask the Secretary of State for Defence how many visits of UK personnel to the US under the auspices of the 1958 Mutual Defence Agreement have occurred in the last 12 months. [88138]

Mr. Spellar: During the period 1 June 1998 to 31 May 1999, a total of 235 visits to the US, involving one or more individuals, took place under the auspices of the 1958 UK/US Mutual Defence Agreement.

Mr. Alan Simpson: To ask the Secretary of State for Defence how many EIVRs have been generated as a result of exchanges of information under the 1958 Mutual Defence Agreement in each of the last five years; and if he will place unclassified versions in the Library. [88139]

Mr. Spellar: Two Exchanges of Information by Visit and Report, EIVRs, have occurred within the last five years. One, on the subject of Test Monitoring, was generated in 1997 and first met in 1998. The most recent, on matters concerned with the future contract to manage the Atomic Weapons Establishment, was both created and met in 1998. The details of such exchanges are invariably classified and are withheld under the terms of Exemption Category 1 of the Code of Practice on Access to Government Information relating to defence, security and international relations. Accordingly, no unclassified version is, or will be, available.

Aldermaston

Mr. Alan Simpson: To ask the Secretary of State for Defence how many French personnel have visited AWE Aldermaston in the last 12 months. [88140]

Mr. Spellar: During the period 1 June 1998 to 31 May 1999, a total of 82 French personnel visited AWE Aldermaston.

Mr. Alan Simpson: To ask the Secretary of State for Defence how many visits of US personnel to AWE Aldermaston have occurred in the last 12 months. [88137]

Mr. Spellar: During the period 1 June 1998 to 31 May 1999, a total of 110 visits to AWE Aldermaston by US personnel, involving one or more individuals, took place.

Tanks (Yugoslavia)

Mr. Dalyell: To ask the Secretary of State for Defence how many tanks were *(a)* destroyed and *(b)* significantly damaged during the military action against Yugoslavia. [88079]

Mr. George Robertson *[holding answer 24 June 1999]:* Now that KFOR troops have deployed into Kosovo, a fuller assessment of the damage inflicted on Yugoslav forces is under way. This will take some time to complete. But the measure of the campaign's success lies in the fact that it resulted in the withdrawal of Milosevic's troops from Kosovo, the entry of KFOR and the return of the refugees.

Controlled Substances (Emissions)

Mr. Dalyell: To ask the Secretary of State for Defence, pursuant to the letter of 3 October 1998, D/MIN/(DP)(TG)/3521/98M, on atmospheric pollution, what collaborative research and development programmes aimed at identifying further alternatives to ozone-depleting substances in the applications where they are still necessary have been carried out in the last nine months; and what reduction has taken place in controlled substances where acceptable alternatives are available. [87386]

Mr. Spellar *[holding answer 29 June 1999]:* In my response to the hon. Member's earlier question on this subject on 18 January 1999, *Official Report*, columns *312–13*, I reported on the continuing progress made by the MOD in reducing its use of ozone depleting substances.

Since the beginning of the year, a number of CFC and halon systems have been converted to alternative substances. The Royal Navy has completed the conversion or replacement of refrigeration plant on HMS Fearless, HMS Illustrious, HMS Leeds Castle, HMS Sultan, HMS Lancaster and RFA Black Rover. Modification kits have been procured for conversion of refrigeration plants on HMS Spartan, HMS Torbay and HMS Trenchant, and for a chilled water plant on HMS Spartan. Installation of a new chilled water plant has started on HMS Torbay. Action has been taken to procure the kits for conversion of

refrigeration plants on the Type 23 frigates. The Army has completed trials of alternatives to halon fire extinguishants for use in in-service armoured vehicle engine compartments and an acceptable fire extinguishant has been identified. A programme of work to convert these systems is now being drawn up. Work to convert CFC environment cooling systems in armoured vehicles has also started. The Defence Procurement Agency has completed the majority of its trials of alternative refrigerants in equipment for which it is responsible and the final report on the conversion of the Challenger 2 engine fire protection systems is expected during July. The Royal Air Force has completed the conversion of refrigerators on all but two of the E3 Sentry aircraft; these remaining aircraft will be modified as soon as operational commitments allow. In a number of cases, equipment that used ozone-depleting substances has been decommissioned as surplus to requirements. At DERA Chertsey, for example, this has reduced the installed quantity of CFC refrigerants by approximately 230 tonnes.

The use of CFC refrigerants will be necessary until conversion programmes can be completed or, where conversion is not technically and economically feasible, until equipment is removed from service. For halon systems which protect, amongst others, existing aircraft, ship machinery spaces and armoured vehicle crew compartments, acceptable alternatives have not been identified, despite considerable international effort. The MOD Corporate Research Programme is funding a study by DERA into alternative fire extinguishants for use in normally occupied enclosed spaces. The study has identified two classes of material with promising fire extinguishing properties. These are the tropodegradable bromoalkenes and a range of phosphorus-containing compounds. The aim is to identify one or more chemicals with good performance and acceptable toxicological and environmental characteristics. This work is being undertaken in close collaboration with the US Advanced Agent Working Group and the US Department of Defence's Next Generation Fire Suppression Technology Program. The Royal Navy continues its sponsorship of research into water mist technologies for potential use in fire protection in new warships. The work has demonstrated that low pressure fine water spray systems with certain additives can give a very effective performance and this work will be validated with real-scale tests over the next 18 months. Close contact is being maintained with the US Navy and US Coast Guard who are also developing water-based technologies for use in future ships.

Security Facilities Executive

Mr. Beith: To ask the Secretary of State for Defence what steps his Department has taken to market test services previously supplied to it by the Security Facilities Executive. [87775]

Mr. Spellar: SAFE, now the Security Facilities Division of the Cabinet Office, continues to supply specialist security advice and services. The MOD has not market tested these services.

France (Stockpile Programme)

Mr. Alan Simpson: To ask the Secretary of State for Defence if he will list the broad areas of assistance that have been provided to date to France to aid their stockpile stewardship programme. [88141]

Mr. Spellar: The MOD continues to maintain contacts with France on a range of technical and scientific issues relating to nuclear weapons. I am withholding more specific information under the terms of Exemption Category I of the Code of Practice on Access to Government Information relating to defence, security and international relations.

European Communities Working Groups

Mr. Bercow: To ask the Secretary of State for Defence if he will list the European Communities working groups which met over the last 12 months with a representative from his Department in attendance; if he will list the number of times each met; if he will indicate the nature of the Government's representation; and if he will make a statement. [88484]

Mr. Spellar: Ministry of Defence officials have attended meetings of POLARM, an ad hoc EU working party on European armaments policy, on four occasions in the last 12 months.

Aldermaston Health and Safety at Work Committee

Mr. Alan Simpson: To ask the Secretary of State for Defence if he will place copies of the minutes of the nine meetings of the Aldermaston Health and Safety at Work Committee in the Library. [89018]

Mr. Spellar: I have arranged for this to be done.

TRADE AND INDUSTRY

Rover

Mrs. Browning: To ask the Secretary of State for Trade and Industry what assessment he has made of the impact of the new BMW-Rover deal on United Kingdom suppliers to the company. [88501]

Mr. Byers *[holding answer 28 June 1999]:* The new R30 model this investment secures comes into production in 2003. Rover have therefore yet to open discussions with suppliers. The action taken by the Government to secure the future of Longbridge will provide opportunities for UK suppliers which otherwise would not have been available.

Mrs. Browning: To ask the Secretary of State for Trade and Industry if he will place in the Library the conditions he has set for the Government investment in Rover, Longbridge. [88503]

Mr. Byers *[holding answer 28 June 1999]:* The exact conditions of the aid package to Rover are commercially confidential.

Small Business Service

Mr. Jim Cunningham: To ask the Secretary of State for Trade and Industry what plans he has for the Small Business Service; and if he will make a statement. [89517]

Mr. Byers: The Government are planning to set up a Small Business Service with three main tasks: to act as a voice for small businesses at the heart of Government; to simplify and improve the quality and coherence of Government support for small businesses; to help small firms deal with regulation and ensure small firms' interests are properly considered in future regulation.

We want to ensure that opportunities for enterprise are open to all; and to create an environment where more entrepreneurs emerge and are successful.

The Small Business Service will be headed by a Chief Executive who will report to the Secretary of State for Trade and Industry and have direct access to Ministers across Government. He or she will have a substantial and wide-ranging role, including:

a right to be consulted on all new Government legislation presented to Parliament in Westminster that is likely to affect small businesses; and a right to be consulted on all new proposals for business support likely to affect small business in England;

representing the interests and concerns of small firms and ensuring they are taken into account by Government;

responsibility for ensuring that all Government services directed primarily or mainly to small businesses are accessible through Small Business Service local outlets, thus taking forward the Business Link network;

responsibility for ensuring that the delivery of business support services reflects local priorities so that it is business-led and Government-backed. In addition, local delivery arrangements will be shaped by the overall economic strategies developed by the Regional Development Agencies.

I am today launching a public consultation on the Small Business Service, which includes a range of proposals in addition to the role and responsibilities of the Chief Executive.

One particular proposal is to set up the Small Business Service as a Next Steps Agency within the Department of Trade and Industry as from April 2000.

Other key proposals include:

creating an independent advisory body—the "Enterprise Council" to advise the Chief Executive and report regularly to Ministers on matters of concern to small business;

making the Small Business Service responsible for managing the Government's Enterprise Fund;

making the Small Business Service responsible for providing practical help with payroll administration;

giving the Small Business Service responsibility for providing co-ordinated information for small firms on their regulatory obligations and for developing ways to work with regulators so as to ensure that they provide information and guidance material tailored to the needs of small businesses.

Copies of the consultation document and a summary leaflet with the main proposals have been placed in the Library of the House. I am inviting comments on my proposals by 30 September.

Director General of Fair Trading

Mr. Jim Cunningham: To ask the Secretary of State for Trade and Industry when he intends to publish the report by the Director General of Fair Trading for 1998. [89518]

Dr. Howells: The 25th annual report by the Director General of Fair Trading has been published today. It covers the period from 1 January 1998 to 31 December 1998. Copies of the report have been laid before Parliament.

Interconnector (France)

Mr. Drew: To ask the Secretary of State for Trade and Industry if he will list the amount of electricity received via the interconnector with France in each of the last five years. [88205]

Mr. Battle: The following table shows the quantities of electricity imported from France in each of the last five years:

	GWh
1994	16,887
1995	16,306
1996	16,677
1997	16,558
1998	12,819

These imports amounted to 3½ per cent. of United Kingdom electricity requirements in 1998.

Mineworkers (Respiratory Diseases)

Mr. HomeRobertson: To ask the Secretary of State for Trade and Industry if he will make a statement on the progress of compensation payments to former mineworkers affected by respiratory diseases in *(a)* Scotland, *(b)* Wales and *(c)* each of the English regions; how many claims are still outstanding; and when he expects the process to be completed. [87584]

Mr. Battle: As at 17 June 1999, IRISC, the Department's claim handling agent, have received some 71,500 claims from former miners and their dependants. These can be broken down into *(a)* Scotland—5,500; *(b)* Wales—20,500; and *(c)* North West—4,100; North East—7,700; North and West Yorkshire—4,700; South Yorkshire—14,100; East Midlands—10,100; West Midlands—3,400; South—1,200; Overseas—200.

The contract for a national programme of spirometry testing for all respiratory disease claimants has been awarded to Healthcall Services Ltd. Healthcall have established testing centres in Newport, Cardiff, Swansea, Newcastle, Sheffield, Nottingham, Leeds and Glasgow and will shortly be opening at least 17 more in other coalmining areas. The programme of spirometry will enable us to make further interim payments beyond the £25 million already offered and, in some cases, full and final offers to those who may not wish to pursue their claim further.

Discussions have taken place with Scottish solicitors and similar handling arrangements to those in England and Wales are close to being agreed to compensate ex-miners in Scotland.

Environmental Measures

Dr. Kumar: To ask the Secretary of State for Trade and Industry what estimate he has made of the emission savings that could be achieved *(a)* by an additional

5 per cent. tax on domestic energy consumption and *(b)* by the introduction of the climate change levy; and if he will make a statement. [88318]

Mr. Battle: For social policy reasons, the Government have no intention of introducing new taxes on domestic consumption of fuel and power. The climate change levy will encourage energy efficiency in business and is expected to save around 1.5 million tonnes of carbon a year by 2010.

Electricity Supply Interruptions

Mr. Maclean: To ask the Secretary of State for Trade and Industry what action he proposes to take in response to the report on Electricity Supply Interruptions. [88308]

Mr. Battle: While we recognise that security of supply is of paramount importance even in open markets, ensuring this is a matter for the Director General of Electricity Supply. The report, which he commissioned, followed the disruption to electricity supplies as a result of gale force winds on 26 December 1998. The report contains a number of recommendations concerning electricity distribution network performance, restoration of supplies, communications with customers and payments to customers under Standards of Performance Regulations.

Comments on the full list of recommendations, together with suggestions for other areas where further investigation is merited, were invited, and the period for those comments ends on 25 June. Any feedback will be used to inform the Office of Gas and Electricity Markets' continuing review of the companies' performance.

Aero Engine Manufacturers (US)

Mr. Gordon Prentice: To ask the Secretary of State for Trade and Industry what assessment he has made of the *(a)* direct and *(b)* indirect support given by the United States Government to United States aero engine manufacturers. [88122]

Mr. Battle: My Department is aware of the substantial support the United States Government provide to their aero engine manufacturers, mainly through various NASA and Department of Defence programmes, while noting that the US economy is six times that of the UK.

The key US civil programmes which have supported propulsion research and development include NASA's programmes on High Speed Civil Transport; Advanced Subsonic Technologies; and Advanced General Aviation Transport Experiment.

Renewable Energy

Mr. Stunell: To ask the Secretary of State for Trade and Industry what representations he has received on legally-binding targets for renewables in the EU; and if he will make a statement. [86859]

Mr. Battle: I have received letters from Greenpeace, RSPB and Climate Network Europe.

The adoption of targets can assist in promoting the greater use of renewable energy. In the UK, we are working towards a target of 10 per cent. electricity from renewables as soon as possible. We hope to achieve this by 2010. Other member states have set their own targets.

Support schemes for renewables should be designed to operate in the most cost-effective way possible. This will require the introduction, in due course, of a system which promotes competition between renewables providers, in order to ensure that costs are driven down as far as is practicable. I want to see renewables come in from the margins into the mainstream, and I believe that competition-based schemes are the right way we will achieve this.

I remain committed to the promotion of renewables. I pressed the case at the Energy Council on 11 May, called for action by the Commission, and sought to persuade all member states to implement national strategies to increase significantly the contribution of renewables to Europe's energy supply.

Aerospace Industry

Mr. Gordon Prentice: To ask the Secretary of State for Trade and Industry what recent discussion he has had with *(a)* BAe and *(b)* other UK aerospace companies about the restructuring of the industry; and if he will make a statement. [88873]

Mr. Battle *[holding answer 29 June 1999]:* I and officials in my Department maintain regular contact with BAe and other UK aerospace companies about restructuring and other strategic issues facing the industry. When I attended the ministerial meeting of Airbus partners and the Paris Air Show recently, I was able to meet a wide range of industry's key players for this purpose.

Kosovo

Mr. Randall: To ask the Secretary of State for Trade and Industry what plans his Department has to assist and co-ordinate efforts by British companies in reconstruction projects in Kosovo and the neighbouring countries. [88596]

Mr. Battle: At the Secretary of State's initiative, the Department has already established a joint Government/ private sector Taskforce to promote and co-ordinate the UK's response to the reconstruction arising in Kosovo; its prime objective is to ensure that the UK is co-ordinated to play their role in the rebuilding process. The Taskforce, which has already met twice, is chaired by Nigel Thompson of Ove Arup; the other private sector representatives on the Taskforce are from: AMEC, Mott MacDonald, Kennedy Construction, Taylor Woodrow, Crown Agents, British Consultants Bureau and the Confederation of British Industry.

All the private sector members of the Taskforce are well aware that they are on it as representatives of the UK business community generally, not their own companies. As all the companies represented on the Taskforce have seats on national or international bodies covering their sector interests, this is second nature to them. These industry bodies are the channels through which the messages from the Taskforce are being disseminated to the business community more generally. Indeed, to reinforce the message that the Taskforce is representing the interests of all UK companies, the minutes of its meetings are circulated freely to all interested parties.

Although in existence for only a very short time, the Taskforce is already making good progress. I am leading a group of six companies on a visit to Kosovo between 28 and 29 June to assess the initial likely reconstruction opportunities, and how best UK companies can position themselves so that they are able to play their role in the rebuilding of Kosovo. A post-mission conference, organised by my Department, is being held on 1 July so that the findings of the visit can be disseminated more widely to UK companies.

Initially, the work of the Taskforce will concentrate on Kosovo; but in due course it is hoped that it will also be able to focus on the wider region.

Vibration White Finger

Mr. Ruane: To ask the Secretary of State for Trade and Industry what is the timetable for the compensation payments awarded by the High Court to be paid to the former miners diagnosed with Vibration White Finger; and how many people *(a)* are eligible for payments, *(b)* are awaiting payments and *(c)* have received payment in full. [87984]

Mr. Battle *[holding answer 24 June 1999]:* The Department proposes to settle the bulk of compensation payments awarded by the High Court to former miners diagnosed with Vibration White Finger (VWF) as soon as practically possible, the majority being settled by March 2001.

(a) To date the Department has received some 42,000 claims.

(b) As at 20 June 1999 there were 37,222 claims outstanding at IRISC, the Department's claim handling agents. However, it is difficult to give an accurate total of claimants awaiting payment until medical evidence has been obtained and an assessment of liability in each of these cases has been completed.

(c) As at 20 June 1999 2,748 claimants have received payments in full.

We have awarded the contract for the delivery of the medical assessments to the SEMA Group and are hopeful that significant offers of full and final payments will start flowing in the late summer.

Benefit Payments

Mr. Rendel: To ask the Secretary of State for Trade and Industry what percentage of benefit payments made to pensioners were paid by automated credit transfer in the most recent year for which figures are available; and if he will provide a comparable figure for the payment of benefits by automated credit transfer to non-pensioners. [88109]

Angela Eagle *[holding answer 24 June 1999]:* I have been asked to reply.

In the year ending 31 March 1999, 14.5 per cent. of all Retirement Pension and Widows Pension payments were made by automated credit transfer (ACT). The percentage of Retirement Pension and Widows Pension clients receiving payment by ACT as at 31 May 1999 was 43 per cent.

In the year ending 31 March 1999, 15 per cent. of all benefit payments made to clients in receipt of benefits other than Retirement Pension and Widows Pension were paid by ACT. The percentage of clients receiving benefits other than Retirement Pension and Widows Pension by ACT as at 31 May 1999 was 28 per cent.

The reason for the difference between the percentage of payments made by ACT and the percentage of clients being paid by ACT is that, in general terms, clients who are paid by ACT receive payments less frequently than those clients paid by order book or girocheque.

Supermarkets (Local Production)

Mr. Wigley: To ask the Secretary of State for Trade and Industry if he will make it his policy to seek means of encouraging supermarket companies to facilitate the sale of goods produced within the vicinity of their outlets; and if he will make a statement. [87996]

Mr. Rooker: I have been asked to reply.

The sourcing of supplies in supermarkets is a matter for the commercial judgment of retailers rather than Government. "Food from Britain" are working with the multiple retailers to encourage level sourcing and several major supermarket chains are now showing more interest in regional products.

FOREIGN AND COMMONWEALTH AFFAIRS

FCO Establishment (Morwenstow)

Mr. Baker: To ask the Secretary of State for Foreign and Commonwealth Affairs how many *(a)* UK personnel and *(b)* US personnel are based at his Department's establishment at Morwenstow, Cornwall; and what is the rank of the most senior (i) UK officer and (ii) US officer. [88637]

Mr. Robin Cook *[holding answer 29 June 1999]:* I refer the hon. Member to the reply I gave on 22 June 1999, *Official Report*, column *360*. It is Government policy not to provide details about the staffing and organisation of the intelligence services. This information is withheld under Exemption 1 of the Code of Practice on Access to Government Information.

Panel 2000

Mr. Bercow: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to the answer of 14 June 1999, *Official Report*, column *31*, if he will list the detailed steps (i) taken, (ii) under consideration and (iii) rejected on the recommendations from Panel 2000. [88601]

Mr. Hoon: All the recommendations in the Panel 2000 Consultation Document have been accepted following a broad welcome during the consultation process. At its meeting on 17 December the Panel gave priority to the recommendations on one stop shops, showcasing, a campaign in Germany in 2000, and the opportunities offered by Millennium activities to promote Britain abroad. Progress has been made in all of these areas as well as on implementation of other recommendations. We remain engaged with individual Panel members about further ways of enhancing how Britain is perceived. The full Panel will meet in the second half of this year to assess progress.

INTERNATIONAL DEVELOPMENT

Kosovo

Mr. Llew Smith: To ask the Secretary of State for International Development what assistance her Department is offering to *(a)* the Yugoslav authorities and *(b)* the Kosovar refugees and returnees to provide post-trauma counselling to children affected by the war. [88609]

Mr. Foulkes: The UK will play its part in international efforts to meet real humanitarian needs within Serbia. But we expect to provide assistance through intermediaries such as the UN agencies and non-governmental organisations, rather than directly to the Yugoslav authorities.

We are supporting the provision of psycho-social assistance to Kosovar refugee children in neighbouring countries. Part of our contribution of £2.25 million to United Nations Children's Fund's (UNICEF) regional programme will support help for traumatised children. We are also funding training for care providers in Macedonia through the Medical Foundation for the Care of Victims of Torture.

Through our Humanitarian Assistance Field Office in Pristina, we will continue to identify further areas of support in accordance with the needs of the returning refugees and the displaced people of Kosovo.

Yugoslavia

Mr. Llew Smith: To ask the Secretary of State for International Development what assessment is being made of the environmental effects of NATO's military action in Yugoslavia; and if she will place in the Library copies of the work done in this area by the United Nations Environment Programme. [88653]

Mr. Foulkes: A team of environmental experts from the UN-sponsored Balkans Task Force on the Environment and Human Settlement will carry out a full scale assessment of the environmental impact of the conflict on the region. They paid a preliminary visit to Serbia and Montenegro earlier this month.

Reports of work already done in this area are available on the internet at http://www.grid.unep.ch/btf, as will that of the full-scale assessment mission when it is available. We will arrange to place a copy of the full-scale report in the Library of the House.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Planning Procedures

Mr. Drew: To ask the Secretary of State for the Environment, Transport and the Regions what proposals he intends to bring forward to clarify planning procedures where the planning authority has a possible conflict of interest over a piece of land. [88176]

Mr. Raynsford: The procedures to be followed when a local authority has an interest in land for which a planning application is made are set out in the Town and Country Planning General Regulations 1992, with guidance contained in DOE Circular 19/92. The general principle underlying these Regulations is that local authorities must make planning applications in the same way as any other person applying for planning permission. The proposals must be advertised in the usual manner. However, applications may not be determined by a committee or officer responsible for the management of the land or buildings concerned. If it is intended to approve such a proposal, and it is not in accordance with the provisions of the development plan in force in the area, the application must be notified to the Secretary of State so that he can decide whether it should be "called in" for his own determination. We have no evidence to suggest that the procedures are unclear.

Housing Associations

Mr. Drew: To ask the Secretary of State for the Environment, Transport and the Regions (1) what checks he makes on the administrative overheads of housing associations; [88178]

(2) what checks he undertakes of the salaries paid to the chief executives and other senior officers of housing associations. [88179]

Mr. Raynsford: The Housing Corporation, sponsored by my Department, is responsible for regulating the activities of housing associations, now known as Registered Social Landlords (RSLs). RSLs are independent bodies, and members of their governing bodies serve in a voluntary capacity. The setting of salaries for chief executives and other senior executives is a matter for each RSL's board.

The Housing Corporation measures RSLs' performance annually against performance standards which cover their propriety, probity, financial management and accountability. It requires RSLs to publish in their annual report and accounts details of the remuneration of any executive earning more than £40,000 per annum. As part of its performance review process, the Corporation assesses RSLs' accounts and other financial information and publishes performance indicators for England's 371 largest RSLs. These include specific indicators on management and maintenance costs and on staffing costs.

The Corporation has also put in place a Best Value framework for RSLs which expects them to hold down and reduce their running costs (including salaries) whilst improving the quality of services provided to their residents.

Mr. Drew: To ask the Secretary of State for the Environment, Transport and the Regions what monitoring he undertakes where housing previously under the control of a local authority has been transferred to a housing association, with particular reference to *(a)* rent levels, *(b)* repairs, *(c)* new building and *(d)* specialist provision. [88180]

Mr. Raynsford: Where local authority housing has been transferred to a registered social landlord, the Housing Corporation is responsible for monitoring the performance of the new landlord.

Mr. Drew: To ask the Secretary of State for the Environment, Transport and the Regions what discussions his Department has had with housing associations about rent levels during the last year. [88181]

Mr. Raynsford: My Department has discussed rent levels with the National Housing Federation, the representative body for registered social landlords (RSLs), on several occasions. We also meet representatives of individual RSLs from time to time, when rents may be one of the issues under discussion.

Rail Crossing, Rovie

Mr. Maclennan: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received about the safety of the rail crossing at Rovie, Rogart, Sutherland; and what response he has made. [89088]

Mrs. Liddell: The Secretary of State has recently received an application from Railtrack for an Order under the Level Crossing Act 1983 to authorise the most appropriate safety measures for the level crossing at Rovie. Railtrack has written to the Highland Council giving them two months to make any representations on Railtrack's proposals to the Secretary of State. My Department has also received a copy of a letter written by the Highland Councillor for the area to the Secretary of State for Scotland commenting on safety at this level crossing. In deciding the most appropriate safety measures for this crossing the Secretary of State will also take advice from the Health and Safety Executive.

Household Projections (Hampshire)

Mr. Swayne: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 28 June 1999, *Official Report*, column *26*, on new households in Hampshire, what assessment he has made of the reasons for the increase in the number of projected households since the 1992-based household projection. [89255]

Mr. Raynsford: I refer the hon. Member to the answer given by my right hon. Friend the Deputy Prime Minister to my hon. Friend the Member for Kettering (Mr. Sawford) on 29 March 1999, *Official Report*, columns *470–74*.

Health and Safety Appraisal

Mr. Burgon: To ask the Secretary of State for the Environment, Transport and the Regions what progress has been made on the strategic appraisal of Health and Safety which he announced on 30 March. [89575]

Mr. Meacher: I will be launching a public consultation document entitled "Revitalising Health and Safety" tomorrow, jointly with the Health and Safety Commission. Copies will be placed in the House Libraries. This is an important initiative aimed at injecting new impetus into the health and safety agenda. Everyone concerned with health and safety is encouraged to respond to this consultation.

Driving Tests

Mrs. Curtis-Thomas: To ask the Secretary of State for the Environment, Transport and the Regions for what reasons the Driving Standards Agency's written submission to the Minister recommending the closure of a Driving Test Centre is not made publicly available; and if he will make it his policy to publish such submissions in future. [86257]

Ms Glenda Jackson: The reasons why a test centre might be closed are put into the public domain as part of public consultation about the issue. To protect the integrity of decision-making, we have no plans to publish policy advice from officials to Ministers. This is in accordance with the Code of Practice on Access to Government Information, exemption number 2—internal discussions and advice.

Speed Policy

Mr. Kidney: To ask the Secretary of State for the Environment, Transport and the Regions what organisations have been or will be invited to take part in the speed policy review; and what steps are being taken by his Department to ensure maximum involvement by professional organisations in the speed policy review process. [86349]

Ms Glenda Jackson: The full list of those who will be invited to take part has yet to be finalised, but it will include professional organisations suggested by the relevant divisions in DETR and other Government Departments.

Officials have already met the Automobile Association, Royal Automobile Club, County Surveyors' Society, Association of Chief Police Officers, the groups represented by the Slower Speeds Initiative.

Mr. Kidney: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to make available a speed policy document for consultation. [86350]

Ms Glenda Jackson: It is proposed to have a consultation document available for consideration towards the end of July.

Mr. Kidney: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the progress of the speed policy review announced in the white paper, A New Deal For Transport. [86348]

Ms Glenda Jackson: I refer my hon. Friend to the reply I gave our hon. Friend the Member for The Wrekin (Mr. Bradley) on 9 June 1999, *Official Report*, columns *319–20*.

Vehicle Mileage

Mr. Dafis: To ask the Secretary of State for the Environment, Transport and the Regions what is the average annual mileage travelled per road vehicle *(a)* in the latest year for which figures are available, and *(b)* (i) five years, (ii) 10 years and (iii) 20 years before that year. [87013]

Ms Glenda Jackson: The figures are given in the table. The earliest date from which figures for vehicle numbers by body type is available is 1982.

Average annual distance travelled by vehicle type in thousand kilometres

Year	Cars and taxis	Motor-cycles, etc	Buses and coaches	Light vans	Goods vehicles
1982	14	4	49	18	32
1988	16	4	57	20	41
1993	15	4	62	20	43
1998	16	3	63	23	48

Traffic estimates are based on observations of traffic flows, matched with road length figures. Vehicle licence data are provided by DVLA.

Average mileage for each type of vehicle is derived by dividing the total annual mileage by the estimated number of vehicles of that type.

Fuel Tax Escalator

Mr. Paul Marsden: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the environmental effects of the fuel tax escalator; and if he will make a statement. [87570]

Ms Glenda Jackson: The Government regularly undertake assessments of the environmental impact of the fuel duty escalator, to inform the development of transport and environment policies. The latest estimate of the carbon savings from the escalator, published in the consultation document for the UK Climate Change Programme, stated that the escalator between 1996 and 2002 is expected to save 2–5 million tonnes of carbon in 2010. The impact of the escalator on air quality is also kept under review.

Mother Teresa's Funeral

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions how many people travelled with him to Mother Teresa's funeral, excluding members of the Royal Family and their private staff. [88100]

Mr. Prescott: I represented my right hon. Friend the Prime Minister at Mother Teresa's funeral, and was accompanied by two members of my staff. Because of the short notice available to make the arrangements, and the unavailability of scheduled flights, it was necessary to charter an aircraft for the journey to Calcutta. In order to ensure best value for money the flight was shared with five members of the Royal party.

Wal-Mart

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions how many meetings Ministers in his Department have had with representatives of Wal-Mart; and what were the main subjects of discussion. [88099]

Mr. Caborn: Neither I nor any other Minister in the Department have met representatives of Wal-Mart.

GM Organisms

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to use his power under Part VI of the Environmental Protection Act 1990 to vary existing genetically modified marketing consents issued thereunder to include a condition requiring post-release monitoring. [88159]

Mr. Meacher: There are no plans to vary existing consents issued in compliance with Part C of Council Directive 90/220/EEC on the deliberate release into the environment of genetically modified organisms (GMOs). Once a GM crop has Part C (marketing) consent under the Directive it applies across all member states. Individual member states cannot vary a consent unilaterally. Under the new arrangements agreed in the Environment Ministers' Council last December, all new applications for part C consent will have to include plans for post market monitoring. Government and industry, through SCIMAC (Supply Chain Initiative for Modified Agricultural Crops), have a voluntary agreement that for consents already granted or currently under consideration crops will be grown and managed in accordance with the SCIMAC Guidelines which include post-release monitoring.

London Underground

Mr. Woodward: To ask the Secretary of State for the Environment, Transport and the Regions what studies into passenger levels on the London Underground have been commissioned by his Department since 1 May 1997. [88431]

Ms Glenda Jackson: London Underground makes studies of both existing and future passenger demand on a regular basis. The results of these studies are reported to the Department of the Environment, Transport and the Regions.

Mr. Woodward: To ask the Secretary of State for the Environment, Transport and the Regions what studies have been carried out into the practical effects of the closure of the London Underground Circle Line between Gloucester Road and High Street Kensington stations from 12 June to 15 August. [88430]

Ms Glenda Jackson: Before engineering works began between Gloucester Road and High Street Kensington, London Underground made a full Hazard and Operability study into the line closure and the proposed changes to train and station operations. This study forecast the impact on passenger flows across London's public transport system and also assessed the probable effect on congestion levels and waiting times.

Graveyards

Mr. Paul Marsden: To ask the Secretary of State for the Environment, Transport and the Regions if he will review the planning regulations relating to the sale of graveyards; and if he will make a statement. [88450]

Mr. Raynsford: There are no planning provisions which apply specifically to a proposed disposal of a graveyard, although a local authority may need a disposal consent in certain circumstances, for example to dispose of the land for less than the best consideration that can reasonably be obtained. A disused burial ground, which is no longer used for human interment, falls within the definition of open space for the purposes of local government and town and country planning powers. A local authority proposing to sell or otherwise dispose of or appropriate open space land must advertise the proposal and consider any objections. The disturbance of

buried human remains normally requires a licence from the Home Office or, in relation to consecrated ground, a Faculty from the Bishop. Planning permission would normally be required for the carrying out of any development of land. We have no plans to review the present planning controls relating to the sale of graveyards.

Westminster Tube Station

Mr. Sheerman: To ask the Secretary of State for the Environment, Transport and the Regions when the construction work on Westminster tube station will be completed. [88444]

Ms Glenda Jackson: London Underground expect to complete the construction work on Westminster tube station in late autumn this year.

Birmingham Northern Relief Road

Dr. Tony Wright: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will list in respect of those properties which have been acquired in the past by his Department in relation to the Birmingham Northern Relief Road *(a)* those which he intends to dispose of because he no longer needs them in relation to the road and *(b)* the acquisition price of each such property and the price at which each such property has been placed on the market; [89119]

(2) if he will list in respect of those properties which have been acquired in the past by his Department in relation to the Birmingham Northern Relief Road *(a)* those which have been disposed of by him because he considers he no longer needs them in relation to the road and *(b)* the acquisition price and the money received on disposal in relation to each such property. [89129]

Ms Glenda Jackson: I have asked the Chief Executive of the Highways Agency, Mr. Lawrie Haynes, to reply to my hon. Friend.

Letter from Lawrie Haynes to Dr. Tony Wright, dated 30 June 1999:

The Parliamentary Under Secretary of State, Glenda Jackson, has asked me to reply to your recent questions about properties that have been bought and sold in relation to the Birmingham Northern Relief Road (BNRR).

I am afraid I am unable to provide the information in the form that you have requested. To list properties and prices would make public the amounts that private individuals have received or paid. I am sure you agree that such information should remain confidential.

The Agency has purchased 24 properties in connection with the BNRR that have since been sold. The total purchase price was £2.105m and the amount received on disposal of these same properties was £1.741m.

A further 5 properties, purchased at a total cost of £415,250, have been identified as surplus to requirements. Two of these are under offer at a total price of £135,000. The remaining properties have yet to be valued. We expect other properties to be declared surplus as the scheme progresses.

These figures relate to both the former publicly funded road and the privately financed Midland Expressway Ltd scheme. They include discretionary purchases (that is properties seriously affected by but not required for the road) as well as statutory blight purchases.

Waste Strategy

Mr. Burgon: To ask the Secretary of State for the Environment, Transport and the Regions what progress he has made in developing a waste strategy for England and Wales. [89296]

Mr. Meacher: Consultation responses to "Less Waste: More Value" last year were overwhelmingly supportive of the vision set out in that document which we have now developed into a blueprint for a more sustainable, integrated waste management system for England and Wales.

This blueprint is described in "A Way with Waste: A Draft Waste Strategy for England and Wales" which is published today for further public consultation. "A Way with Waste" makes clear that a step change is needed in the way we think about and manage our waste which applies equally to municipal and industrial waste. We need substantial increases to both recycling and energy recovery if we are to meet the challenges of sustainable development and of the European Directive on the landfilling of waste's stringent targets for diverting waste from landfill.

We have therefore set two goals by 2010 of recovering 45 per cent. of municipal waste (by recycling, composting and incineration with energy or heat recovery) and of recycling or composting 30 per cent. of household waste. To do this we must meet, as soon as possible, the existing targets of 40 per cent. recovery and 25 per cent. recycling or composting. We aim to do this by 2005. Beyond 2010 we must do more. By 2015 we expect to recover value from two thirds of household waste, half of this by recycling or composting.

We need to develop stronger markets for recyclate. The Government set up a Market Development Group to look at this and its report and recommendations are published for comment today alongside the draft strategy. Some of its recommendations are for Government and we will be addressing them with vigour, seeking further views as necessary. Some are for other bodies whom the Government calls on to address these proposals with same degree of energy.

It will of course be for the National Assembly for Wales to decide how to take forward this draft strategy, and the responses to the consultation on it, to produce a final strategy for Wales.

Tree Planting

Ms Shipley: To ask the Secretary of State for the Environment, Transport and the Regions if there will be specific mechanisms proposed in the Urban White Paper to encourage the planting of trees in urban areas. [88807]

Mr. Meale: The Urban White Paper will look at ways of improving the quality of life for people in our towns and cities. Urban greening, including the contribution of trees, will be an important part of this.

The Government already acknowledge the important role of trees in urban regeneration by sponsoring a range of programmes which involve tree planting as part of a wider strategy to improve the urban environment. These include the Community Forest programme, the National Forest and others under the Single Regeneration Budget.

We also support the work of the National Urban Forestry Unit. They have shown that, by using simple, low-cost techniques urban forestry can help to improve the environment in a practical way and make trees a more significant feature of the urban landscape.

Local Authority Finance

Mrs. Anne Campbell: To ask the Secretary of State for the Environment, Transport and the Regions what assessment his Department makes of previous spending patterns by individual local authorities in its calculations of total standard spending for that authority. [89023]

Mr. Meale: The formula for Standard Spending Assessments is built up from formulae relating to blocks of services. Those formulae are, in many cases, based on statistical analysis of the variations between authorities in spending on those services.

Oil and Fat Waste

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 22 June 1999, *Official Report*, column *334*, on oil and fat waste, what factors underlay his decision not to commission research. [89007]

Mr. Meale: There are statutory provisions to ensure that sewerage undertakers can monitor, control, restrict and deal with discharges into public sewers. The Department is not aware of any significant problems associated with these problems.

Sports Clubs (Rate Relief)

Mr. Nigel Jones: To ask the Secretary of State for the Environment, Transport and the Regions if he will estimate the cost of allowing mandatory rate relief to voluntary sports clubs. [88579]

Mr. Meale: The Central Council of Physical Recreation estimate that there are 150,000 voluntary sports clubs affiliated to the national governing bodies of sport in the United Kingdom. However, we do not hold centrally information on the number of clubs subject to non-domestic rates, their rateable values or their rates bills reflecting discretionary rate relief awarded by local authorities. Therefore, we cannot make a reasonable estimate of the cost of allowing mandatory rate relief to voluntary sports clubs.

ATTORNEY-GENERAL

European Communities Working Groups

Mr. Bercow: To ask the Attorney-General if he will list the European Communities working groups which met over the last 12 months with a representative from his Department in attendance; if he will list the number of times each met; if he will indicate the nature of the Government's representation; and if he will make a statement. [88469]

The Attorney-General: No representative of my Department has attended any European Community Working Group during the last 12 months.

NORTHERN IRELAND

Good Friday Agreement

7. **Mr. Paul Clark:** To ask the Secretary of State for Northern Ireland what discussions she had in June with members of the Irish Government concerning the implementation of the Good Friday agreement. [87721]

14. **Mr. Burden:** To ask the Secretary of State for Northern Ireland what recent discussions she has had with members of the Irish Government concerning the implementation of the Good Friday agreement. [87728]

15. **Helen Jones:** To ask the Secretary of State for Northern Ireland what recent discussions she has had with members of the Irish Government concerning the implementation of the Good Friday agreement. [87729]

Marjorie Mowlam: I have regular contact with representatives of the Irish Government concerning the implementation of the Good Friday Agreement. I was in Dublin just a week ago with Ministers and, since Monday, I have been in constant contact in the talks in Belfast—including over breakfast this morning.

Peace Process

8. **Ms Stuart:** To ask the Secretary of State for Northern Ireland if she will make a statement on international support for the peace process in Northern Ireland. [87722]

23. **Ms Ryan:** To ask the Secretary of State for Northern Ireland if she will make a statement on international support for the peace process in Northern Ireland. [87738]

25. **Mr. McDonnell:** To ask the Secretary of State for Northern Ireland if she will make a statement on international support for the peace process in Northern Ireland. [87740]

Mr. Ingram: International support, both economic and political, has been overwhelming. It is a generous sign of growing international confidence in the people of Northern Ireland and what they have achieved over the last decade.

The Government will continue to work to seek the implementation of the Good Friday Agreement on which so much of that support is based.

Residential Colleges (Student Funding)

9. **Dr. Harris:** To ask the Secretary of State for Northern Ireland for what reasons her Department is proposing to discontinue funding students from Northern Ireland attending adult residential colleges in Great Britain. [87723]

Mr. McFall: The Government will invest an additional £47.5 million over the next three years in Lifelong Learning in Northern Ireland. This will provide some 10,000 additional student places in further and higher education, together with continued support for access courses to higher education provided by local colleges. To make this possible, reductions in some programmes, including the very few adult education bursaries in Great Britain, were inevitable.

Equality Commission

13. **Judy Mallaber:** To ask the Secretary of State for Northern Ireland what progress is being made on the establishment of an Equality Commission in Northern Ireland. [87727]

Mr. Paul Murphy: I refer my hon. Friend to the reply given today, *Official Report,* column 331 to my hon. Friend the Member for Chatham and Aylesford (Mr. Shaw).

Paramilitary Organisations (Crime)

16. **Mr. Laurence Robertson:** To ask the Secretary of State for Northern Ireland if she will make a statement on the number of crimes attributed to paramilitary organisations committed in Northern Ireland in 1999. [87731]

Mr. Ingram: Statistics for crimes believed to be attributed to paramilitary organisations are collated under the headings in the following table. These show the number of incidents recorded as being of paramilitary style during the period 1 January to 18 June 1999. This figure is not exhaustive, however, and is subject to amendment.

	Number
Paramilitary style incidents	
Deaths	5
Shootings	66
Bombings	46
Casualties as a result of paramilitary style attacks	
Shootings	43
Assaults	81

Note:
These figures are subject to amendment

Northern Ireland Executive

17. **Dr. Godman:** To ask the Secretary of State for Northern Ireland what recent discussions she has held with the leaders of the political parties concerning the setting up of the Northern Ireland Executive. [87732]

Marjorie Mowlam: I and my ministerial colleagues have had regular discussions with the leaders of all political parties in Northern Ireland concerning the setting up of the Executive and the implementation of all aspects of the Good Friday Agreement.

Decommissioning

18. **Mr. Gray:** To ask the Secretary of State for Northern Ireland what assessment she has made of when decommissioning of illegally held arms and explosives will begin. [87733]

28. **Mr. Brady:** To ask the Secretary of State for Northern Ireland what assessment she has made of when decommissioning of illegally held arms and explosives will begin. [87743]

Mr. Ingram: I have welcomed the start to decommissioning made by the LVF on 18 December last. The Decommissioning Commission continues its vital work. It is time for all groups to play their part in the full implementation of the Good Friday Agreement; they should start to decommission now.

Royal Ulster Constabulary (Pay Settlement)

19. **Rev. Martin Smyth:** To ask the Secretary of State for Northern Ireland what assessment she has made of this year's police pay settlement on RUC neighbourhood policing and other commitments. [87734]

Mr. Ingram: The Police (Northern Ireland) Act 1998 gives the responsibility for, and control of, all the resources required to deliver a policing service to the Chief Constable. It is for him, in conjunction with the Police Authority, to decide upon priorities and allocate resources in line with the Policing Plan. One of the objectives of this is to work in partnership with local communities and other agencies, to improve the quality of service delivered by the police to all the people of Northern Ireland.

Drumcree Parade

20. **Mr. Borrow:** To ask the Secretary of State for Northern Ireland what plans she has to deal with the disputed parade planned at Drumcree. [87735]

29. **Mr. Ben Chapman:** To ask the Secretary of State for Northern Ireland what plans she has for dealing with the parade at Drumcree. [87744]

Mr. Ingram: I refer my hon. Friend to the reply I gave today, *Official Report,* column 332, to my hon. Friend the Member for Cleethorpes (Shona McIsaac).

Long-term Unemployment

21. **Mr. Healey:** To ask the Secretary of State for Northern Ireland if she will make a statement on the current level of long-term unemployment in Northern Ireland. [87736]

Mr. Ingram: Latest estimates from the Labour Force Survey for the period February to April 1999 show that approximately 29,000 persons in Northern Ireland have been unemployed for one year or more. This represents 53 per cent. of the total unemployed and 3.9 per cent. of the workforce.

22. **Jane Griffiths:** To ask the Secretary of State for Northern Ireland what measures are being taken to tackle long-term unemployment in Northern Ireland. [87737]

Mr. McFall: New Deal 25+ will provide up to 30,000 developmental placements over 18 months for eligible long-term unemployed. From 1 August 1999, Worktrack will provide 2,100 places annually for those not eligible to join the various New Deals.

New Deal for young people seeks to prevent young people becoming long-term unemployed.

Northern Ireland (Location of Victims' Remains) Act 1999

24. **Mr. William Ross:** To ask the Secretary of State for Northern Ireland what financial provision she has made to support the search for victims' bodies under the Northern Ireland (Location of Victims' Remains) Act 1999. [87739]

Mr. Ingram: Section 2 of the Northern Ireland (Location of Victims' Remains) Act provides that

> "the Secretary of State may make payments to the Commission or to members of the Commission; and provide for the Commission such premises and facilities, and the services of such staff, as he thinks appropriate".

Devolution

26. **Dr. Whitehead:** To ask the Secretary of State for Northern Ireland if she will make a statement on the prospects for devolved Government in Northern Ireland. [87741]

27. **Dr. Palmer:** To ask the Secretary of State for Northern Ireland what assessment she has made of the prospects for the establishment of a cross-community Executive to govern Northern Ireland. [87742]

Mr. Savidge: To ask the Secretary of State for Northern Ireland what assessment she has made of the prospects for devolved Government in Northern Ireland. [87726]

Marjorie Mowlam: I refer my hon. Friends to the reply I gave to my hon. Friends the Members for Harrow, East (Mr. McNulty) and Walsall, North (Mr. Winnick) and to the hon. Member for Rochford and Southend, East (Sir T. Taylor), today, *Official Report,* column 334-35.

Northern Ireland Assembly

Mr. Rammell: To ask the Secretary of State for Northern Ireland what steps are being taken to involve Northern Ireland Assembly Members in decision making in Northern Ireland. [87725]

Mr. Paul Murphy: Intensive discussions are currently taking place between all of the parties represented in the Assembly and the British and Irish Governments to agree a way forward to complete the implementation of the Good Friday Agreement including devolving power to the Northern Ireland Assembly. Until devolution takes place, Ministers in the Northern Ireland Office will continue to consult the Northern Ireland political parties in the normal way about any decisions they take.

RUC (Portadown)

Mr. Corbyn: To ask the Secretary of State for Northern Ireland how many incidents of *(a)* assault and *(b)* affray occurred in the Thomas Street and Market Street/Woodhouse Street area of Portadown town centre between 1 April 1996 and 27 April 1997; and how many arrests were made. [85499]

Mr. Ingram: The RUC have advised that there were three recordable offences of assault in this area between the dates in question. Of these, two were assault occasioning actual bodily harm, one was grievous bodily harm. One person was arrested in each case. There were no recorded offences of affray.

Chief Constable

Mr. McNulty: To ask the Secretary of State for Northern Ireland when she plans to lay before each House the annual report for 1998 of the Chief Constable of the Royal Ulster Constabulary. [89357]

Marjorie Mowlam: Copies of the Chief Constable's annual report for 1998 have today been placed in the Library. It is a general report on the carrying out of the RUC of their functions during 1998 which is submitted to the Police Authority for Northern Ireland and also to me for laying before Parliament in accordance with Sections 48 and 49 of the Police (Northern Ireland) Act 1998.

Security Arrangements

Mr. Browne: To ask the Secretary of State for Northern Ireland what progress is being made towards the normalisation of security arrangements in Northern Ireland. [87730]

Mr. Ingram: Since the Good Friday Agreement, routine military patrolling has been reduced by almost two thirds. Since the start of the year, there have been under 15,000 service personnel on operational duties in Northern Ireland, fewer than at any time since 1970, although there may be some short term increases over the summer period. Military installations have been closed and some demolished.

We are committed to as early a return as possible to normal security arrangements, consistent with the level of threat.

HOME DEPARTMENT

Sentencing

Mr. Salter: To ask the Secretary of State for the Home Department what arrangements he has made to implement sections 80 and 81 of the Crime and Disorder Act 1998. [89576]

Mr. Straw: Section 80 of the Crime and Disorder Act 1998 places a duty on the Court of Appeal to consider producing or revising sentencing guidelines when a suitable case arises.

Section 81 of the Act establishes a new Sentencing Advisory Panel which must be consulted by the Court whenever it decides that guidelines are necessary. The Panel may also propose that the Court frame or revise guidelines and I may direct it to do so.

Both sections come into force on 1 July 1999.

The Lord Chancellor will appoint the following members to the Panel:

Professor Martin Wasik (Chairman)

Professor Andrew Ashworth

Pamela Brown

Dr. Michael Chan

Anne Fuller

Heather Harker

Professor Frances Heidensohn

Peter Jones

David Mallen

Judge Michael Mettyear

Sir Richard Tilt.

Prime Minister (Security Vehicles)

Mr. Hoyle: To ask the Secretary of State for the Home Department if he will ensure that the lead security vehicle for the Prime Minister is a British-made vehicle. [88161]

Mr. Straw: The Metropolitan Police are responsible for the purchase and supply of the lead security vehicle used for the protection of the Prime Minister. The vehicle currently used is a Land Rover Discovery.

Police Manpower

Mr. Peter Bradley: To ask the Secretary of State for the Home Department if he will publish figures for each police authority in England and Wales setting out *(a)* the percentage changes in their budget and *(b)* the numbers of police officers in the force between 1 April 1998 and 31 March 1999. [89577]

Mr. Straw: The information requested is set out in the table. The information on changes in police numbers is based on provisional strength figures at March 1999 provided by forces.

Police numbers—comparison between percentage change in numbers and changes in budgets for 1998–99

Force	Percentage change in police numbers March 1998 to March 1999	March 1998 to March 1999	Percentage change in budget 1997–98 to 1998–99
5–5.9 per cent. reduction in strength			
City of London	–5.7	(-46.8)	–7.3
Cleveland	–5.2	(-76.8)	+5.1
4–4.9 per cent. reduction in strength			
Lincolnshire	–4.3	(-51.5)	+1.1
Nottinghamshire	–4.2	(-98)	+3.8
3–3.9 per cent. reduction in strength			
Bedfordshire	–3.4	(-37.2)	+3.8
Cumbria	–3.2	(-37.5)	+3.7
Norfolk	–3.4	(-48.2)	+3.8
Sussex	–3.7	(-107.9)	+3.8
West Yorkshire	–3.4	(-172.7)	+3.8
2–2.9 per cent. reduction in strength			
Devon and Cornwall	–2.5	(-74.5)	+4.5
Dorset	–2.7	(-35.9)	+3.7
Greater Manchester	–2.0	(-138.8)	+3.8
Humberside	–2.3	(-46.8)	+3.8
Northamptonshire	–2.7	(-31.2)	+3.7
North Yorkshire	–2.2	(-30.7)	+4.0
Staffordshire	–2.4	(54.5)	+3.7
0–1.9 per cent. reduction in strength			
Cambridgeshire	–1.3	(-17)	+3.8
Derbyshire	–0.8	(-13.6)	+3.8
Essex	–1.3	(-38)	+3.7
Hampshire	–0.5	(-16.1)	+3.8
Hertfordshire	–0.9	(-16.2)	+3.8
Kent	–1.5	(-50)	+4.4
Lancashire	–0.4	(-12.3)	+3.8
Metropolitan Police	–0.08	(-20.7)	+3.7
South Yorkshire	–0.4	(-14)	+3.8
Thames Valley	–0.7	(-27.4)	+3.8
Warwickshire	–1.7	(-15.4)	+3.7
West Mercia	–0.5	(-10.5)	+3.8
Wiltshire	–0.5	(-5.3)	+3.7

Police numbers—comparison between percentage change in numbers and changes in budgets for 1998–99

Force	Percentage change in police numbers March 1998 to March 1999	March 1998 to March 1999	Percentage change in budget 1997–98 to 1998–99
Forces with increases in police numbers			
Gloucestershire	+0.02	(0.2)	+3.8
Avon and Somerset	+0.8	(23.4)	+3.8
Cheshire	+1.4	(28.7)	+3.8
Durham	+3.5	(53.1)	+4.9
Dyfed-Powys	+2.4	(24)	+3.8
Gwent	+1.2	(14.3)	+3.8
Leicestershire	+0.5	(10.1)	+3.8
Merseyside	+2.3	(95.1)	+3.8
Northumbria	+1.9	(71.5)	+4.7
North Wales	+0.4	(5)	+3.8
South Wales	+0.13	(3.8)	+3.8
Suffolk	+0.4	(4.4)	+3.8
Surrey	+3.3	(53.5)	–1.0
West Midlands	+2.3	(165.3)	+3.8
Overall total	–0.6	(-793.3)	+3.7

Mr. Beith: To ask the Secretary of State for the Home Department, pursuant to his answer of 18 May 1999, *Official Report*, column *296*, concerning police manpower, when he intends to publish figures for the number of police officers, per force and in total, on 31 March; and if he will make a statement. [88192]

Mr. Straw: The information requested is set out in the table. The figures are provisional and subject to validation.

Under legislation passed by the previous Government in 1994, it is for individual chief constables to determine the number of police officers in their force area, within the resources available to them. The Home Secretary no longer has any power to set entitlements of forces.

Police numbers as at 31 March 1999

Force	Police numbers[1]
Avon and Somerset	2,999.3
Bedfordshire	1,041.3
Cambridgeshire	1,274.4
Cheshire	2,070.6
City of London	778.1
Cleveland	1,406.6
Cumbria	1,126
Derbyshire	1,758.6
Devon and Cornwall	2,887
Dorset	1,274.1
Durham	1,567.9
Dyfed-Powys	1,026.3
Essex	2,890.5
Gloucestershire	1,104
Greater Manchester	6,809.9
Gwent	1,247.1
Hampshire	3,473.4
Hertfordshire	1,723.7
Humberside	1,974.4
Kent	3,200.8
Lancashire	3,244.8
Leicestershire	1,993.2
Lincolnshire	1,139.6
Merseyside	4,311.5

Police numbers as at 31 March 1999

Force	*Police numbers* [1]
Metropolitan Police	26,073.1
Norfolk	1,381.4
Northamptonshire	1,137.5
Northumbria	3,840.2
North Wales	1,401
North Yorkshire	1,336.5
Nottinghamshire	2,224.6
South Wales	2,990
South Yorkshire	3,168
Staffordshire	2,237.6
Suffolk	1,190.2
Surrey	1,661.9
Sussex	2,846.8
Thames Valley	3,748.1
Warwickshire	908.7
West Mercia	1,999.1
West Midlands	7,320.8
West Yorkshire	4,982
Wiltshire	1,151
Force total strength	123,921.5

[1] Figures are for full-time equivalents, are provisional and subject to validation

UK Passport Agency

Mr. Beith: To ask the Secretary of State for the Home Department what preparations are being made by the UK Passport Agency for the processing of criminal record checks; and if he will make a statement. [88167]

Mr. Boateng: The Passport Agency has set up a team in Merseyside to manage the introduction of the Criminal Records Bureau.

Detailed planning is under way with the aim of commencing operations on a phased basis.

Procurement of accommodation and Information Technology services is now under way by open competition and advertisements have been placed in the Open Journal of the European Community (OJEC).

Road Safety

Mr. Kidney: To ask the Secretary of State for the Home Department what arrangements are in place between his Department and the Department for the Environment, Transport and the Regions for linking the aims and objectives for the Police Service with the National Road Safety Strategy. [88315]

Mr. Straw: The over-arching aims and objectives for police forces in England and Wales which were published last year include an objective of contributing to improving road safety and the reduction of casualties. That links with the police's aim to promote safety and reduce disorder. The performance measures related to the new duty of best value are likely to include performance measures in relation to this area of policing. These measures are to be agreed following a period of consultation over the summer. The new National Road Safety Strategy and casualty reduction targets for 2010 are being developed by the Department for the Environment, Transport and the Regions (DETR) in close consultation with officials in my Department and with representatives of the Association of Chief Police Officers' Traffic Committee. DETR expect to be able to publish the strategy and targets in the autumn.

Subversion

Dr. Julian Lewis: To ask the Secretary of State for the Home Department, pursuant to his oral answer of 21 June 1999, *Official Report*, column 783, what the role of F Branch of the Security Service formerly dealing with subversion currently is; what proportion of its work relates to the pensions of former F Branch employees; if the threat assessment set out on page 12 of the Home Office publication of 1998, "MI5 The Security Service", with particular reference to subversion, still applies; and if the statement on page 19 that there are no investigations into subversion is still valid. [88224]

Mr. Straw: The 1998 booklet "MI5 The Security Service" contains as much information as it is possible to disclose on this subject. The information which it contains on Security Service investigations of subversion remains valid. It would not be in the public interest to provide further details of the kind requested.

Young Offenders

Mr. Bob Russell: To ask the Secretary of State for the Home Department if he will survey those persons admitted to young offenders' institutions over the next three calendar months to establish how many and which had been members of uniformed youth organisations; for what duration; and what percentage of admissions this represents. [88420]

Mr. George Howarth: No. The Government believe that the 'what works' and related research provides a reliable basis for developing ways to tackle offending by young people and have no plans to commission a survey of this nature.

However, I have set up some focus groups with young offenders to discuss in more general terms their backgrounds, experience of the criminal justice system, their perceptions of custody and their plans for the future. A draft report has been received and the final report should be made available to me very shortly.

Prisons (Drugs)

Mr. Stinchcombe: To ask the Secretary of State for the Home Department what proportion of prison drug tests proved positive in *(a)* drug-free wings and *(b)* other wings in the latest period for which figures are available. [88306]

Mr. George Howarth: The proportion of random mandatory drug tests that proved positive for the period 1998–99 was 18.3 per cent. which is 1.7 per cent. less than the target of 20 per cent. set for the year. This can be compared with the previous years' figures of 24.4 per cent. positive in 1996–97 and 20.8 per cent. in 1997–98. Figures for drug testing results from voluntary testing units are not collated centrally.

Mr. Stinchcombe: To ask the Secretary of State for the Home Department how many *(a)* arrests have been made on suspicion of smuggling drugs into prison, *(b)* prosecutions have been brought and *(c)* convictions have been obtained in the most recent period for which figures are available. [88303]

Mr. George Howarth: I refer my hon. Friend to my answer to my hon. Friend the Member for Tooting (Mr. Cox) on 23 June 1999, *Official Report*, column *379*.

Means Assessments (Convicted Criminals)

Dr. Julian Lewis: To ask the Secretary of State for the Home Department if he will review court procedures for conducting means assessments prior to sentencing of convicted criminals. [R] [87556]

Mr. Straw *[holding answer 29 June 1999]:* Courts are required by law to inquire into the financial circumstances of a convicted offender before fixing the amount of any fine. Means assessments are also currently carried out in criminal cases before the grant of legal aid.

A case is pending before the European Court of Human Rights questioning the role of the Justices' Clerk in conducting means inquiries in magistrates courts. Once the outcome of the case is known the Government will consider what action, if any, needs to be taken.

The Access to Justice Bill includes a proposal to transfer from the Justices' Clerk to the Justices' Chief Executive the administrative responsibility for collecting fines. The Bill also proposes the abolition of means assessments before the granting of legal aid and the introduction of a power at the end of a case for the higher courts to order defendants to meet some or all of the defence costs. There will be power to assess the defendant's means before any such order is made.

The Government have no other plans to review court procedures in this area.

Public Safety Radio Communications Project

Mr. Coaker: To ask the Secretary of State for the Home Department (1) what progress is being made with respect to the Public Safety Radio Communications Project; and if he will make a statement; [88605]

(2) what funding arrangements will be put in place for the Public Safety Radio Communications Project. [88606]

Mr. Boateng: The Police Information Technology Organisation (PITO), a Home Office Non-Departmental Public Body, is managing the Public Safety Radio Communications Project (PSRCP). This is a major Public Private Partnership project designed to replace the police service's existing radio communications systems with a modern national infrastructure delivered under a service provision contract. The Service Provider will design, build, fund and own the infrastructure and individual police forces will contract to take a range of core (mandatory) and menu (optional) services for anticipated contract periods of 15 years.

A Project Definition Study has been completed and negotiations on price and contractual terms are now in progress with British Telecommunications as the candidate Service Provider. The Association of Chief Police Officers (ACPO) and the Association of Police Authorities (APA) are being kept fully briefed of progress. When negotiations are concluded, a formal business case will shortly be put to Ministers, ACPO and the APA, for a decision on its acceptance.

Over the next three years the police service will receive an additional £1.24 billion in central government funding. It is a matter for each police authority to set their budget and for each chief constable to determine how to use the resources that are available. The scope for additional funding for PSRCP is under consideration.

Released Prisoners

Lorna Fitzsimons: To ask the Secretary of State for the Home Department what programmes there are to help prisoners find accommodation on their release. [88675]

Mr. George Howarth: The Prison and Probation Services work closely together to help prisoners released on licence to maintain or secure appropriate accommodation. For prisoners not subject to statutory supervision there are a number of sources of advice and guidance. These include prison officers trained by "National Association for Care and Resettlement of Offenders", accommodation specialists from the probation service and independent organisations.

Lorna Fitzsimons: To ask the Secretary of State for the Home Department what his Department has done to identify debt problems affecting prisoners that could increase the likelihood of an individual re-offending, if not dealt with before the prisoner's release. [88672]

Mr. George Howarth: It is recognised that financial considerations can be related to the risk of re-offending in some cases. While no specific programme is in place to identify problems of debt, it is a factor which is taken into account in wider assessments for sentence planning and in the provision of advice and information.

Lorna Fitzsimons: To ask the Secretary of State for the Home Department what work is being done in the Prison Service to ensure that a resettlement service is provided for each prisoner. [88673]

Mr. George Howarth: Adult prisoners with six months or more to serve and young offenders serving one month or more are subject to a system of sentence planning to determine what can be done during their time in custody and on licence to contribute to successful release. The Prison Service invests annually in the "National Association for the Care and Resettlement of Offenders" prison link unit, providing £226,000 for 1999–2000, to train prison officers to provide advice and information on resettlement issues, and for specially trained staff to provide pre-release courses.

Individual prisons liaise with probation services and other statutory and independent organisations, to provide resettlement services appropriate to local circumstances.

The Government have also invested nearly £3.5 million in piloting Welfare to Work in 11 prison establishments. In the 12 months the pilot has been in operation, over 2,500 young prisoners have joined, and over 1,700 have completed, the programme.

However, the Government recognise that there may be a particular difficulty in providing effective resettlement advice and support for prisoners serving sentences of less than a year. Under the Crime Reduction Programme, pilots are therefore to be established in seven areas to test out and evaluate new ways of meeting the resettlement needs of short term prisoners.

Firearms

Mr. Hunter: To ask the Secretary of State for the Home Department if he will take measures to ensure that information as to whether firearms used in crime are legally or illegally held is provided by the police; and if he will publish this information. [88706]

Mr. Boateng: Information as to whether firearms used in crime are legally or illegally held is not published in the annual Criminal Statistics because, although the police are asked for this information, in practice they are only able to provide it in some six per cent. of cases. The information is thus not complete enough at present to make statistical analysis or publication worthwhile. The Home Office Research and Statistics Directorate is considering how to improve the quality of this data.

Fiona Mactaggart: To ask the Secretary of State for the Home Department how many offences involving pistols led to charges in the 12 months up to 1 October 1997 and in the 12 months thereafter. [88694]

Mr. Boateng: No information is kept centrally on the number of offences involving firearms that lead to charges.

The readily available information relates to notifiable offences recorded by the police in England and Wales in which handguns were reported to have been used. Annual figures are contained in "Criminal Statistics, England and Wales", copies of which are in the Library.

Fiona Mactaggart: To ask the Secretary of State for the Home Department (1) what has been the cost to date of paying compensation to firearms' owners; [88695]

(2) how many people have been charged for failing to surrender .22 pistols; [88692]

(3) what has been the cost to date of processing claims for firearms compensation; [88696]

(4) how many firearms have been surrendered following the ban on .22 pistols; [88691]

(5) how long, on average, it has taken for compensation to be paid for surrendered firearms. [88693]

Mr. Boateng: Payments under options A and B of the compensation schemes for large and small-calibre handguns have been made in an average of 21 weeks, and in an average of 63 weeks under option C of the schemes. A total of £60.3 million has been paid in compensation to individual firearm certificate holders. The administration costs of the compensation scheme total £4.6 million. In addition, a total of £3.8 million was provided to police forces in England, Wales and Scotland to help meet their costs in handling the surrender exercise.

A total of 19,183 small-calibre pistols were surrendered to the police in England, Wales and Scotland during February 1998 following the passage of the Firearms (Amendment) (No 2) Act 1997. This is in addition to the 26,371 small-calibre pistols surrendered voluntarily under the Government's ex gratia payment scheme, which began in July 1997. Information on the number of persons charged for failing to surrender or otherwise lawfully dispose of .22 pistols was not collected centrally.

Accident Reports (Government Departments)

Mr. Paul Marsden: To ask the Secretary of State for the Home Department on what grounds it is proposed that accident reports from Government Departments will be exempt from publication under the draft Freedom of Information Bill. [88725]

Mr. Straw: The exemption was considered necessary to avoid the possibility of compromising future legal proceedings by giving a right of access to such information. The Bill as drafted requires the authority holding information falling within this class to consider disclosing it, pursuant to clause 14, in the exercise of any discretion it may have to do so. Our view was that it was appropriate to place responsibility for considering the disclosure of such information on the authority concerned.

When I appeared before the Select Committee on Public Administration on 22 June 1999, I accepted that there were arguments in favour of extending rights in this area and I undertook to reconsider the scope of this exemption.

Seat Belts

Mr. Paul Marsden: To ask the Secretary of State for the Home Department what guidance his Department has given police forces about enforcing the wearing of car seat belts by children; and if he will make a statement. [88726]

Mr. Boateng: None. The enforcement of road traffic law is an operational matter for chief officers of police.

European Council (Tampere)

Mr. Mitchell: To ask the Secretary of State for the Home Department, pursuant to his answer of 15 June 1999, *Official Report*, column *91*, concerning the topics to be raised by the special European Council meeting at Tampere, Finland, concerning co-ordination of judicial and home affairs, if he will define the phrase, European Judicial Area, and provide reference to the relevant Treaty articles providing a basis for its use. [88677]

Mr. Straw: Following the conclusions of the Vienna European Council, which asked for

> "particular attention to be paid to the creation of a European Judicial Area, in accordance with the Treaty of Amsterdam",

the Government understands the phrase "European Judicial Area" as referring principally to closer judicial co-operation in criminal and civil matters between the Member States. The relevant Treaty Articles are Article 65 of the European Community Treaty, and 29, 31 and 32 of the Treaty on European Union.

Mr. Mitchell: To ask the Secretary of State for the Home Department, pursuant to his answer of 15 June 1999, *Official Report*, column *91*, concerning the agenda items and related documents to be discussed at the additional European Council to be held in Tampere, Finland, in October, to consider the European Judicial Area, what criteria were used to determine which documents are inappropriate for publication; and what committees of either House of Parliament will be able to consider those published prior to that council meeting. [88690]

Mr. Straw: As I indicated in my reply on 15 June 1999, *Official Report*, column *91*, the documents to be submitted to the European Council will not be known until shortly before the meeting. When they are received they will be subject to the provisions relating to deposit for Parliamentary scrutiny as laid down in paragraph 127(1) of House of Commons Standing Order No. 143. Documents deposited under these provisions are sent to

the European Scrutiny Committee and to the European Communities Committee of the House of Lords. Copies are also sent to the Home Affairs Select Committee.

Article 36 Committee

Mr. Mitchell: To ask the Secretary of State for the Home Department, pursuant to his answer of 15 June 1999, *Official Report*, column *89*, concerning the duties and meetings of the Article 36 Committee of the Home and Justice Ministerial Committee, what means he intends to adopt concerning communicating to Parliament its conclusions and recommendations prior to their consideration and decision by the Home Affairs Ministerial Council. [88664]

Mr. Straw: As I informed my hon. Friend in my reply of 8 June 1999, *Official Report*, column *259*, it was not the general practice of the Government to report to Parliament on the business of the K4 Committee. This policy will continue to apply to the work of the Article 36 Committee. The conclusions and recommendations of that Committee are considered by the Council, and a report of the Council's proceedings is of course made to Parliament.

City of London (Protection)

Mr. Sheerman: To ask the Secretary of State for the Home Department what steps he is taking to increase the protection of workers in the City of London from violent demonstrators. [88440]

Mr. Boateng: It is vital that the people who work in the City are allowed to go about their business without fear of harassment or intimidation. It is an operational matter for the police service to ensure that public order is maintained and that the public is protected from disorderly or violent conduct. The Government will liaise closely with the City of London Police, and will consider any changes to policy or practice which the police service indicate would assist them in preventing further disruption.

PAVA Incapacitant Spray

Mr. Matthew Taylor: To ask the Secretary of State for the Home Department what research is being conducted by the Police Scientific Development Branch into the incapacitant spray PAVA; what is the aim of this research; for what reason it has been started; when this research began; when it is expected to end; and if the results of this research will be published. [88439]

Mr. Boateng: Some research has been commissioned privately by Hertfordshire Constabulary into the use of Pelargonic Acid Vanillylamide (PAVA) as a potential incapacitant spray. The Police Scientific Development Branch (PSDB) are not conducting any research into PAVA at present. Discussions have been held with Hertfordshire Constabulary to assess the research they have carried out to date and to assess what still needs to be done before PAVA could be considered for use in the United Kingdom. No decision has yet been taken on the future involvement of PSDB in any further research.

Criminal Justice (Terrorism and Conspiracy) Act 1998

Mr. Beith: To ask the Secretary of State for the Home Department, pursuant to his answer of 28 January 1999, *Official Report*, column *371*, concerning the Criminal Justice (Terrorism and Conspiracy) Act 1998, when he intends to announce the appointment of an independent reviewer of those provisions of the Criminal Justice (Terrorism and Conspiracy) Act 1998 which were not incorporated into the Prevention of Terrorism (Termporary Provisions) Act 1989; when the first review will take place; and if he will make a statement. [88809]

Mr. Straw: Arrangements are currently in hand to identify potential candidates for this appointment. We hope to be able to make an announcement shortly. The reviewer will, on taking up post, review the operation of sections 5–7 of the Criminal Justice (Terrorism and Conspiracy) Act 1998 since they came into force in September 1998.

Asylum Seekers

Mr. Coleman: To ask the Secretary of State for the Home Department how many asylum applications were received from *(a)* Serbia and *(b)* Colombia in 1998; and how many of the applications (i) were agreed, (ii) were refused and (iii) await decision; and if he will make a statement. [88835]

Mr. Mike O'Brien: The available information is given in the table. I regret that it is not possible, without involving disproportionate cost, to separately identify Serbians within the statistics held on nationals of the Federal Republic of Yugoslavia.

Applications [1] received for asylum in the United Kingdom, excluding dependants, and initial decisions [2,3] for nationals of the Federal Republic of Yugoslavia and Columbia, 1998

	Federal Republic of Yugoslavia	*Columbia*
Applications received	7,395	1,360
Total decisions	1,570	425
of which:		
Recognised as a refugee and granted asylum	935	20
Not recognised as a refugee but granted exceptional leave	75	25
Refused asylum and exceptional leave	565	380
Applications outstanding at end of year[4]	7,700	2,260

[1] Provisional figures rounded to the nearest 5
[2] Information is of initial determination decisions, excluding the outcome of appeals or other subsequent decisions
[3] Decision figures do not necessarily relate to applications made in 1998
[4] Estimated figures

Criminal Record Bureau

Mr. Kidney: To ask the Secretary of State for the Home Department what plans he has to ensure that the structure of application fees for the Criminal Record Bureau does not discourage volunteering. [88850]

Mr. Boateng: The Criminal Record Bureau will be run on a full cost recovery basis and the cost of the fees for certificates from the Bureau will be kept to the minimum necessary to recoup costs. All applicants will be treated equally.

SCOTLAND

Ministerial Meetings (US)

Mr. Matthew Taylor: To ask the Secretary of State for Scotland, pursuant to his answer of 4 May 1999, *Official Report*, column *337*, what were the names of the two individuals from the US Government whom he met on 17 March. [84343]

Dr. Reid *[holding answer 21 May 1999]:* My right hon. Friend the former Secretary of State met Stuart Eizenstadt, Under Secretary of State for Economic, Business and Agricultural Affairs at the US Department of State and Ambassador Peter Scher, US Special Trade Negotiator.

Special Advisers

Mr. Matthew Taylor: To ask the Secretary of State for Scotland on what dates special advisers from his Department have travelled in an official capacity to the United States since 2 May 1997; what were the names of the special advisers; and if they accompanied ministers. [84325]

Dr. Reid *[holding answer 21 May 1999]:* One special adviser travelled to the United States with my predecessor on 15–19 March 1999. In accordance with convention, the name of the special adviser has not been given.

A9 (Strathsteven)

Mr. Maclennan: To ask the Secretary of State for Scotland what steps *(a)* have been taken and *(b)* are planned following the accident investigation and prevention study by the National Roads Directorate to improve road safety on the A9 to Strathsteven, Brora. [89089]

Mr. Macdonald: *(a)* Works to strengthen the edge of the carriageway, boundary wall and verge are currently being undertaken. *(b)* An Accident Investigation and Prevention study is to be commissioned to identify any appropriate low cost accident prevention measures for this location. Any measures agreed will be implemented during this financial year, providing sufficient funds are available.

From 1 July 1999, this will be a matter for the Scottish Parliament.

Forestry Commission

Mr. Etherington: To ask the Secretary of State for Scotland if he will list those Forestry Commission land sites currently on the market in *(a)* England, *(b)* Scotland and *(c)* Wales indicating for each proposed sale (i) the total area, (ii) location, (iii) type of land, (iv) length of time on the market and (v) the provisions for securing continuing public access. [87444]

Mr. Macdonald: The subject of the question relates to matters undertaken by Forest Enterprise. I have asked its Chief Executive, Dr. Bob McIntosh, to arrange for a reply to be given.

Letter from Bob McIntosh to Mr. Bill Etherington, dated 30 June 1999:

The Secretary of State for Scotland has asked me to reply to your Question about Forestry Commission land that is currently on the market.

I enclose a table which gives the information you have requested.

The table does not include negotiated sales, such as sales of houses and agricultural land to sitting tenants or sales of land to conservation bodies through our sponsorship arrangements, as these are not available on the open market.

I hope that this is helpful.

Forestry commission land currently on the open market

Property	*Area (hectares)*	*Grid ref.*	*Category of Land*	*Date first put on the market*	*Access classification*
England					
Benacre Wood	25.0	TQ945440	FL	22 October 1996	3
Black Plantation, Seaton Ross	14.0	SE794367	FL	28 June 1995	3
Brandon Central Depot	16.0	TL786875	O	1 June 1988	4
Deershill Wood	11.0	SS520172	FL	18 June 1999	2
Seaton Old Wood, Seaton Ross	16.5	SE787394	FL	28 June 1995	3
Stanley Cottages Plantation	31.0	NZ168390	FL	1 January 1989	1
Wales					
Allt Parc Y Dilfa	14.0	SN640335	FL	31 July 1998	2
Amnodd Wood	101.0	SH810372	FL	19 April 1996	3
Bryn Glas 2	2.9	SJ091056	FL	13 August 1998	2
Coed Cochion	17.0	SJ110725	FL	29 June 1999	2
Coed Hengefn	10.0	SJ083048	FL	13 August 1998	2
Coed Mynydd Mawr	24.0	SH365406	FL	17 July 1998	3
Coed Pandy	22.0	SJ190363	FL	7 September 1998	2
Coed Pwynt	5.0	SJ118197	FL	13 August 1998	2
Coed Y Graig	35.0	SH641078	FL	17 July 1998	3
Craig Yr Arail	58.0	SO210044	FL	24 March 1995	2
Cwm Prysor (Penllyn Forest)	56.0	SH790380	FL	19 April 1995	3
Eglwyseg Mill Wood	6.0	SJ215461	FL	29 June 1999	2
Fagwr Fran (Trecwn)	80.0	SM995315	FL	17 July 1998	2
Foel Eglwyseg	162.0	SJ203465	FL	29 June 1999	2
Gelli Dywyll	25.0	SH686413	FL	17 September 1998	2
Graianog	19.0	SH464488	FL	30 April 1997	1
Graig Ynysgollen	10.0	SN802013	FL	4 June 1987	2
Nant Y Stalwyn	44.0	SN820097	FL	2 March 1993	1

Forestry commission land currently on the open market

Property	*Area (hectares)*	*Grid ref.*	*Category of Land*	*Date first put on the market*	*Acce classificati*
Pengwern	15.0	SH696427	FL	17 September 1998	
Pennsylvania Wood	35.0	SJ886832	FL	18 June 1999	
Pen y Clawdd Plantation	37.0	SJ200458	FL	29 June 1999	
Pen Y Gribin	12.0	SH680190	FL	17 July 1998	
Rassau/Carno	93.0	SO158134	FL	8 September 1998	
Rhiwbach and Tyddyn Bach	106.0	SH743462	FL	11 January 1995	
Rhiwlas	14.2	SS833901	O	12 October 1998	
Tan Y Clawdd	13.0	SH436491	FL	30 April 1996	
Tan Y Graig	23.0	SJ234405	FL	7 September 1998	
Trecwn	182.0	SN381312	FL	17 July 1998	
Ty Mawr Hill	15.0	SJ129018	FL	13 August 1998	
Tyn Rhos and Coed Cefncoch	13.0	SH834037	FL	23 June 1998	
Wern Land	77.4	SN853142	O	1 December 1998	
Scotland					
Badiebath Woods	46.0	NJ831397	FL	23 December 1998	
Barnbarroch	62.0	NX400505	FL	1 September 1998	
Braes of Gight	91.0	NJ822390	FL	23 December 1998	
Claigan Plantation	252.0	NG266530	FL	19 October 1998	
Dunvegan Woodlands	258.0	NG245516	FL	19 October 1998	
Field at Hillhead	0.4	NH522239	O	1 June 1999	
Gartochorrans	199.0	NS465845	FL	10 June 1999	
Knockbain	145.0	NX166900	FL	1 September 1998	
Land at Savary	6.7	NM635461	O	21 April 1999	
Land at A836, Stittenham	7.2	NH653750	O	19 May 1999	
Lochbank	23.0	NY075840	FL	10 June 1999	
No. 1 Savary and Land	1.8	NM635461	O	21 April 1999	
Soutra	156.2	NT460565	FL	25 September 1998	
Whitslade Hill (Pt)	23.0	NT095335	FL	9 October 1998	

Codes:
Category of Land
FL—Forest Land
O—Other Land (Agricultural land, hilltops etc.)
Access Classification
1 Access agreement in place
2 Offer of access agreement not accepted by Local Authority
3 Access agreement not possible due to third party constraints
4 The arrangements for access agreements do not apply to other land

Energy Efficiency

Mr. Alan Simpson: To ask the Secretary of State for Scotland how many households in Scotland would meet the eligibility criteria for the New Home Energy Efficiency Scheme if it were to be applied in Scotland. [88152]

Dr. Reid: The information is not held centrally.

From 1 July 1999, this will be a matter for the Scottish Parliament.

Pollok Centre, Glasgow

Mr. Davidson: To ask the Secretary of State for Scotland what is the total rateable value of the Pollok Centre in Glasgow; how much was paid in rates by the centre during the last financial year; and how much and what percentage of the total raised was made available to Glasgow City Council. [88160]

Mr. Macdonald: Assuming full occupation, the total rateable value of the Pollok Centre is £2,374,550, of which almost £1.2 million was paid in rates by the centre in the last financial year. This amount will be included in Glasgow's contribution to the Non-Domestic Rates Pool for 1998–99. Each council's share of Aggregate External Finance (AEF) is calculated according to relative spending need or assessed by Grant Aided Expenditure (GAE). Once specific grants have been top-sliced the balance of the AEF share is made up of two component Non-Domestic Rates Income (NDRI) and Revenu Support Grant (RSG). NDRI is distributed pro-rata t population and the balance then becomes the council' RSG.

Prevention of Terrorism (Temporary Provisions) Act 1989

Mr. Lidington: To ask the Secretary of State fo Scotland on what date his Department was first informe that Parts IV A and IV B of the Prevention of Terrorisn (Temporary Provisions) Act 1989 were no longer i force. [8879

Dr. Reid *[holding answer 28 June 1999]:* M Department was advised on 21 June that these provision were no longer in force.

Vacant Land

Mr. David Marshall: To ask the Secretary of Stat for Scotland what measures the Government will take t implement the recommendations of the Scottish Offic Pieda Study, Towards a Strategy for Vacant Land, th *(a)* dereliction considered to have adverse environmenta effects should be dealt with by 2010 and *(b)* no loc authority should have more than 0.5 per cent. vacant lan by 2010; and if he will make a statement. [8902

Dr. Reid: The two specific recommendations cited from Pieda's report to the Scottish Office have not been adopted as targets. The Government have, however, allocated £3 million a year to bring vacant and derelict land in Glasgow up to a standard suitable for housing. In addition remediation of contaminated land will be addressed by Part IIA of the Environmental Protection Act 1990, which it is planned will be brought into force by the end of 1999. A number of National Planning Policy Guidelines also make clear to planning authorities that priority should be given to the re-use of vacant and derelict land. The information in the Scottish Vacant and Derelict Land Survey has been improved to record the development potential of sites and to enable planning authorities to prioritise sites for re-use.

From 1 July 1999, this will be a matter for the Scottish Parliament.

Opencast Coal

Sir Teddy Taylor: To ask the Secretary of State for Scotland how many applications have been made to local authorities for the development of opencast coal over the past 12 months; and how many have been approved. [R] [88943]

Mr. Macdonald *[holding answer 29 June 1999]:* Information on planning applications made to and approved by local authorities in respect of open-cast coal developments is not held centrally. General information on planning statistics is collected by the Scottish Office Development Department. However, there is no detailed provision for authorities to inform the Department of applications made for opencast coal developments unless the proposal falls within the scope of the Town and Country Planning (Notification of Applications) (Scotland) Direction 1997.

Belgian Food Products

Mr. Yeo: To ask the Secretary of State for Scotland from whom information about the contamination of Belgian food products was first received by his officials. [88951]

Mr. Macdonald *[holding answer 29 June 1999]:* Scottish Office officials initially received this information from the Ministry of Agriculture, Fisheries and Food.

Mr. Yeo: To ask the Secretary of State for Scotland when *(a)* he and *(b)* his officials were informed of the contamination of Belgian food products. [88950]

Mr. Macdonald *[holding answer 29 June 1999]:* My right hon. Friend first learned of the contamination of Belgian food products on 3 June 1999. Scottish Office officials first learned of this problem on 1 June 1999.

CULTURE, MEDIA AND SPORT

School Sports Co-ordinators

Valerie Davey: To ask the Secretary of State for Culture, Media and Sport how the sports co-ordinators for schools will be apportioned *(a)* by individul sport, *(b)* by school sector and *(c)* in other ways; and if they will include co-ordinators for swimming events. [88183]

Mr. Banks: Sport England are currently working up detailed plans for the role the Co-ordinators will play. However, it is not envisaged that Co-ordinators will be apportioned by individual sport, but play a generic role covering all sports, including swimming. They will be based in secondary schools, with the target being up to 600 Active Schools Co-ordinators operating in 1,000 secondary schools and associated primary schools over the next 10 years.

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport when the announcement of the appointment of school sports co-ordinators was first made; and by whom. [88453]

Mr. Banks: The announcement of the appointment of Active Schools Co-ordinators was first made in Sport England's Lottery Strategy in May. My right hon. Friend the Secretary of State recently announced that he had written to Sport England to ensure that arranging competitive fixtures between schools was a key part of the Co-ordinators' job description.

Sports Participation (Asian Community)

Lorna Fitzsimons: To ask the Secretary of State for Culture, Media and Sport what action his Department is taking to encourage participation by and representation of the Asian community at national level in cricket, badminton, hockey and football. [88676]

Mr. Banks: Sport can play a major role in ridding society of racism, especially given the positive influence it can have on young people. It is an issue which impacts on all sports and must be tackled by them.

Sport England, in conjunction with the Commission for Racial Equality (CRE), has established a Racial Equality Advisory Group to work with all sports national governing bodies to encourage racial equality in sport. The group meets on a regular basis and comprises representatives from a variety of agencies. The Group examines issues relating to ethnic minorities in sport, and advises Sport England to ensure that its policies offer equal opportunities to all people, irrespective of their ethnic background.

Furthermore, all recipients of grant-in-aid must agree to have all facilities, courses and events open to the whole community. Similar criteria are also used in assessing applications for grants from the Lottery Sports Fund.

Much has been done to address the problems of racism in football. I am pleased to acknowledge the good work undertaken by the Commission for Racial Equality and the Professional Footballers Association, who were involved in the Lets Kick Racism Out of Football campaign. The Football Task Force Report on Racism in Football, produced earlier this year, has also been very well received alongside initiatives such as Kick it Out and Show Racism the Red Card.

I want to ensure that the lessons and proposals highlighted in that report are extended to other sports. To this end I have recently written to the governing bodies of five major sports as a first step asking how they are going about addressing any problems within their sports. I intend to call a meeting with those governing bodies, the Commission for Racial Equality and the Local Government Association to root out this problem.

Youth Sports Schemes

Mr. Gorrie: To ask the Secretary of State for Culture, Media and Sport what plans he has to ensure that equal opportunities are offered to girls and boys in youth sports schemes funded or promoted by the Government. [88593]

Mr. Banks: The Government fund Sports England to develop programmes for young people and they do this through their Active Schools programme. A key principle of the programme is that every child—having due regard for differences in ability, gender and background—should benefit from the programme.

Tourism

Mr. Hoyle: To ask the Secretary of State for Culture, Media and Sport how much was spent per head of population on tourism in England in the last year for which figures are available. [88600]

Janet Anderson: The total amount spent in England in 1997 by tourists who stayed at least one night is estimated at £21.7 billion, equivalent to £440 per head of the population. Including the spending during tourism day visits would almost double these amounts.

Mr. Hoyle: To ask the Secretary of State for Culture, Media and Sport if he will make a statement on his expenditure plans for tourism for the next three years. [88813]

Janet Anderson: My right hon. Friend the Secretary of State announced his expenditure plans for tourism over the next three years on 14 December 1998. They include an extra £5 million over three years for the British Tourist Authority and an extra £4 million to transform the English Tourist Board into a new strategic body, the English Tourism Council (ETC). The launch of the ETC heralds new regional funding arrangements enabling a greater proportion of funds to be provided direct to Regional Tourist Boards to provide extra support for tourism in the regions of England.

Sports Sites

Mr. Nigel Jones: To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the accuracy of the National Register of Sports Sites. [88462]

Mr. Banks: The proposals for a national register of Recreational Land were originally put forward during the preparation of The Playing Pitch Strategy by the GB Sports Council, the National Playing Fields Association and the Central Council for Physical Recreation in 1989. The objectives of the Register from the outset were to monitor change in the recreational land resource; to assist in policy development at the local and national level; and to provide information to the public. An independent evaluation of the Register 1994 found a number of shortcomings with the data. These shortcomings were due to a number of factors, including the voluntary nature of the project, with owners and managers of sites under no obligation to provide data, and many refusing to co-operate.

A review of the effectiveness of the Register in 1998 indicated that the likelihood of achieving and maintaining a comprehensive, accurate, up-to-date national inventory of playing pitches was remote. Sport England, with the support of the DCMS, the National Playing Fields Association and the Central Council for Physical Recreation, is currently working with local authorities on a suitable model of the Register which can be used by local authorities to undertake assessments of playing field need and provision in their area.

Mr. Nigel Jones: To ask the Secretary of State for Culture, Media and Sport what the criteria are for the funding of sports sites through the allocation of National Lottery money. [88463]

Mr. Banks: Sport England is the statutory distributor of Lottery funding for sport in England. It dispenses these funds according to its own published criteria within a general policy framework agreed with the Government. The Council takes individual funding decisions based on a number of principles independently of Government.

Sport England has established stringent assessment criteria for applicants in which priority is given to those projects which demonstrate a commitment to increasing active sporting participation within the community, particularly those members of the community who may previously have been under-represented, for example, people with disabilities, women and junior participants. Projects that demonstrate a well thought out, structured programme for achieving this and those which expand the choice of sports available to the community are more likely to receive support. Sport England reaches its award decisions after a thorough appraisal of the many different aspects of each proposal. These criteria are fully explained in an application pack that is made available to all potential applicants to the Sport England Lottery Fund. Copies of the pack have been placed in the Libraries of the House.

Physical Training and Recreation Act 1937

Mr. Nigel Jones: To ask the Secretary of State for Culture, Media and Sport what plans he has to amend the Physical Training and Recreation Act 1937. [88460]

Mr. Banks: I have announced that we will seek to amend the Physical Training and Recreation Act 1937 so that chess may become eligible for funding from the Sports Council. Primary legislation will be required and proposals to do so will be introduced when Parliamentary time allows.

Playing Fields

Mr. Nigel Jones: To ask the Secretary of State for Culture, Media and Sport if he will assess the advantages and disadvantages of making the National Playing Fields Association a statutory consultee on playing fields development. [88461]

Mr. Banks: Any decision to include the National Playing Field Association as a statutory consultee on playing fields development is one for my right hon. Friend the Secretary of State for the Environment, Transport and the Regions. We have already introduced a number of measures to protect playing fields which require local education authorities, schools and developers to consider carefully the needs of school children and local communities for whom playing fields are a vital resource.

Both my right hon. Friend the Secretary of State and myself are in the closest contact with Ministers at the Department for Education and Employment and the Department of the Environment, Transport and the Regions to monitor these arrangements, and we will consider any further action which may be needed.

Sports Clubs

Mr. Nigel Jones: To ask the Secretary of State for Culture, Media and Sport if he will assess the advantages and disadvantages of allowing mandatory rate relief to voluntary sports clubs. [88746]

Mr. Banks: The issue of mandatory rate relief is a matter primarily for the Department of the Environment, Transport and the Regions, though I take a close interest in the potential for developing grass roots sport.

We made a Manifesto commitment to review the current arrangements under which local authorities give business rate relief to non-profit-making sports clubs in England, Scotland and Wales. The Department of the Environment, Transport and the Regions will issue a consultation paper later in the year.

Private Sports Grounds

Mr. Nigel Jones: To ask the Secretary of State for Culture, Media and Sport how many applications have been received to finance retention of private sports grounds with funds from the Sportsmatch programme; and if he will list them. [88745]

Mr. Banks: Sportsmatch, which is administered by the Institute of Sports Sponsorship, launched the Company Sports Facilities Initiative pilot scheme last year to encourage companies with sports facilities to open them to wider use by local communities and sports clubs. Discussions are in hand with potential company sponsors, but no applications have been received to date. The retention of private sports facilities is not eligible for Sportsmatch funding.

Activity Holidays (National Minimum Wage)

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport what representations his Department has made to the Department of Trade and Industry on the impact of the national minimum wage on activity holidays; and if he will publish them. [88454]

Janet Anderson: We have received a number of representations from the tourism and hospitality industry on the national minimum wage, including some from the activity holiday sector, which we have passed on to the Department of Trade and Industry. The industry had good and productive discussions during 1998–99 with the independent Low Pay Commission and the Government subsequently set the National Minimum Wage at the sensible level recommended by the Commission.

The Government have asked the Low Pay Commission to monitor and evaluate the impact of the introduction of the national minimum wage. The Commission will welcome views from tourism and hospitality operators on the impact the new legislation is having in practice.

English Tourism Council

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport what legislative changes will be required to establish the English Tourism Council. [88452]

Janet Anderson: No legislation is needed at this stage. The Development of Tourism Act 1969 still applies. Following its launch on 19 July, the English Tourism Council will be the trading name for the English Tourist Board. The new name reflects the change in the body's remit and will be changed formally when a legislative opportunity arises.

Mr. Fearn: To ask the Secretary of State for Culture, Media and Sport when he expects to announce who has been appointed to be the *(a)* chairman and *(b)* chief executive of the new English Tourism Council. [89135]

Janet Anderson: We are announcing today that the chairman of the English Tourism Council is to be Alan Britten. He will take up the post on Monday 12 July. The appointment of a chief executive is a matter for the ETC.

Millennium Wheel

Mr. Gordon Prentice: To ask the Secretary of State for Culture, Media and Sport what is *(a)* the cost and *(b)* the design life of the Millennium Wheel; and how long it is planned to remain at its County Hall location. [88838]

Janet Anderson: The Millennium Ferris Wheel (London Eye) is an entirely privately funded project sponsored by British Airways; no application for funding has been made to any Government Department or Agency. Temporary planning permission was granted for a period of five years and any plan to extend this period would have to be made through my right hon. Friend the Secretary of State for the Environment, Transport and the Regions.

Wembley Stadium

Mr. Fearn: To ask the Secretary of State for Culture, Media and Sport (1) what is his Department's estimate of the cost of transport projects involved in the redevelopment of Wembley Stadium as the centrepiece for a bid to host the Olympic Games; [89139]

(2) what is his Department's estimate of the total cost of the redevelopment of Wembley Stadium as the centrepiece for a bid to host the Olympic Games. [89133]

Mr. Banks: The British Olympic Association are currently undertaking feasibility studies involving Sport England, the Department of the Environment, Transport and the Regions and the Government Office for London on the key aspects of mounting a successful bid for a future Olympics. These cover environment, transport, Olympic village and sports facilities, including a stadium capable of staging the opening and closing ceremonies and athletics events. These working groups are expected to report in December with a full assessment of what is in place and what needs to be in place to bid for and stage the Olympic Games.

SOCIAL SECURITY

Incapacity Benefit

Mr. Berry: To ask the Secretary of State for Social Security how many current incapacity benefit recipients who first made their claim after April 1995 and who have been excluded from the transitional protection provided to former invalidity benefit claimants have an occupational pension; and, for those who receive an occupational pension, what is the average weekly pension payment. [87588]

Mr. Bayley: When Incapacity Benefit was introduced, transitional arrangements allowed those already in receipt of Invalidity Benefit to continue to receive their previous rate of benefit. This is standard procedure following a major change in Social Security legislation.

It is not possible to provide figures for the occupational pension income of Incapacity Benefit recipients whose claims began after April 1995. Such information as is available is in the table. The table shows levels of occupational and personal pensions for all current Incapacity Benefit recipients. No existing Incapacity Benefit recipient will be affected at the point of change by the proposal to take some account of occupational and personal pensions over £50 a week.

Levels of occupational and personal pensions for Incapacity Benefit recipients 1996–97

Occupational and personal pension income (£ per week)	*Number of recipients*
0	1,120,000
less than £25	120,000
£25 to £49.99	110,000
£50 to £74.99	110,000
£75 to £99.99	90,000
£100 to £124.99	40,000
£125 to £149.99	40,000
£150 to £199.99	50,000
£200 or more	40,000
All IB recipients	1,710,000

Notes:
1. The average gross occupational and personal pension income for Incapacity Benefit recipients with non-State pension incomes in 1996–97 was £85 per week.
2. All estimates are based on data from the 1996–97 Family Resources Survey and are in gross 1996–97 prices.
3. Estimates are based on sample counts that have been adjusted for non-response.
4. Estimates are subject to sampling error and to variability in non-response.

Income Support

Mr. O'Hara: To ask the Secretary of State for Social Security if he will publish the most recent figures showing how many people are on Income Support in the age ranges (i) 0 to 8, (ii) 18 to 24, (iii) 25 to 50, (iv) 50 to 65, (v) 65 to 85 and (vi) 85 years and over in each of the regions covered by the new regional development agencies. [88648]

Angela Eagle: The information is shown in the Table.

Income Support claimants by Government Office Region and age of claimant, February 1999

Thousand

Region	*All claimants*	*18–24*	*25–49*	*50–64*	*65–84*	*85 and over*
North East	211	20	80	38	55	19
North West	563	48	226	103	135	51
Yorks and Humber	339	30	123	60	89	37
East Midlands	237	19	87	40	63	27
West Midlands	360	29	128	66	103	34
Eastern	263	19	97	44	69	34
London	573	43	270	104	118	37
South East	353	25	134	59	89	45
South West	267	20	96	45	70	35

Notes:
1. Figures have been rounded to the nearest thousand cases.
2. Based on a 5 per cent. sample and as such subject to a degree of sampling error.
3. Income Support claimants are defined as aged 16 or over and as such there are nil claimants aged 0 to 8.
4. All claimant figure excludes Income Support claimants aged 16 and 17 years.
5. Government Office Region codes are assigned by matching postcodes against the 1999 version 1 postcode directory.

Source:
Income Support Statistics Quarterly Enquiry, February 1999.

Mr. O'Hara: To ask the Secretary of State for Social Security if he will publish the most recent figures showing how many people in each of the regions covered by the new Regional development agencies have *(a)* telephones and *(b)* central heating in their homes in the age ranges (i) 0 to 8, (ii) 18 to 24, (iii) 25 to 50, (iv) 50 to 65, (v) 65 to 85 and (vi) 85 years and over. [88649]

Angela Eagle: Information is not available in the format requested. Such information as is available is in the tables.

Individuals with access to a telephone by Regional development agency and age

Thousand

Regional development agency	*Age of individual*				
	0–17	*18–24*	*25–49*	*50–64*	*65+*
North East	630	250	960	510	390
North West and Merseyside	1,490	540	2,290	1,230	930
Yorkshire and Humber	1,010	310	1,600	850	690
East Midlands	880	350	1,420	820	540
West Midlands	1,200	440	1,740	900	710
Eastern Region	1,200	430	1,880	1,010	770
London	1,730	560	2,710	1,040	850
South East	1,640	610	2,590	1,400	990
South West	970	300	1,570	900	770

Individuals with central heating in their homes by Regional development agency and age

Thousand

Regional development agency	*Age of individual* 0–17	*18–24*	*25–49*	*50–64*	*65+*
North East	660	260	980	490	380
North West and Merseyside	1,330	490	2,030	1,090	790
Yorkshire and Humber	910	290	1,420	760	570
East Midlands	860	340	1,350	780	510
West Midlands	1,040	390	1,540	820	590
Eastern Region	1,170	420	1,820	960	720
London	1,680	540	2,570	980	730
South East	1,520	570	2,440	1,290	890
South West	860	280	1,390	820	700

Notes:

1. Age ranges provided in the tables do not exactly match those requested as these had missing ranges and overlapping boundaries. In addition, sample sizes for the highest age range are too small to support reliable estimates of the statistics in question. Therefore, age ranges which are as close as possible to those requested have been used.

2. The estimates are based on sample counts that have been adjusted for non-response using multi-purpose grossing factors that control for region, Council Tax Band and a number of demographic variables. Estimates are subject to sampling error and to variability in non-response.

3. All figures are provided in thousands and have been rounded to the nearest ten thousand.

Source:

1997–98 Family Resources Survey (Great Britain).

Disability Living Allowance

Mr. Hesford: To ask the Secretary of State for Social Security what progress has been made on the implementation of The Activities for Management of Life test for entitlement to disability living allowance, suggested by the disability benefits forum; and if he will make a statement. [89046]

Mr. Bayley: In line with recommendations from the Social Security Select Committee, we have discussed with the Disability Benefits Forum the possibility of developing alternatives to the current tests for entitlement to Disability Living Allowance and Attendance Allowance, and it was agreed that further work should be undertaken. We are now exploring the possibility of using a set of activities undertaken by disabled people in managing their lives (AMLs) as a means of assessing need; work on this is being carried out by an AMLs Working Group which includes representatives from disability organisations in its membership.

The Working Group is currently in the process of carrying out initial testing of models based on AMLs, and progress was discussed with the Working Group on 25 June 1999. It was agreed that testing and analysis of the results should continue; it is, however, too early to say if it will be possible to produce an AMLs system which represents a significant and worthwhile improvement on the present methods of assessing entitlement to the benefits.

Annuities

Mr. Field: To ask the Secretary of State for Social Security what proportion of pensioners on Income Support are receiving income from an annuity. [89004]

Mr. Timms: Estimates from the Family Resources Survey 1997–98 suggest that less than 1 per cent. of pensioners on Income Support were receiving income from an annuity.

Notes:

1. Pensioners are defined as single people aged 60 years or over and couples where at least one partner is aged 60 years or over.

2. Estimates of receipt of Income Support and annuity income are based on respondent's own assessment and therefore may be subject to mis-reporting.

Pension Upratings

Mr. Drew: To ask the Secretary of State for Social Security what the difference was in each year since 1980 between the amount by which pensions would have increased if based on *(a)* the retail prices index and *(b)* average earnings. [88177]

Mr. Timms: The information is in the table.

£ per week

Uprating date	*Actual rate paid increased by Retail Price Index*	*Rate if increased by average earnings*	*Rate if increased by higher of earnings or prices*
November 1980	27.15	27.60	27.60
November 1981	29.60	30.75	30.75
November 1982	32.85	33.35	34.15
November 1983	34.05	36.25	37.10
November 1984	35.80	38.05	39.00
November 1985	38.30	41.35	42.40
July 1986	38.70	43.20	44.30
April 1987	39.50	45.60	46.80
April 1988	41.15	49.15	50.45
April 1989	43.60	53.50	54.90
April 1990	46.90	58.70	60.25
April 1991	52.00	64.30	66.80
April 1992	54.15	69.20	71.90
April 1993	56.10	72.50	75.35
April 1994	57.60	74.80	77.75
April 1995	58.85	77.35	80.40
April 1996	61.15	79.50	83.55
April 1997	62.45	82.85	87.05
April 1998	64.70	86.25	90.60
April 1999	66.75	90.50	95.05

Notes:

1. The Retail Prices Index (all items) has been used as published by the Office for National Statistics.

2. Average Earnings Index Whole Economy (Non Seasonally Adjusted) as published by the Office for National Statistics.

3. Figures have been rounded to the nearest 5 pence at each uprating.

4. From April 1994 the basic rate of Retirement Pension has been increased by 50p to reflect VAT on fuel.

WALES

North Wales Health Authority

Mr. Wigley: To ask the Secretary of State for Wales on what date his Department informed the North Wales Health Authority of its capital expenditure allocation for 1999–2000. [87998]

Mr. Jon Owen Jones: Capital allocations for 1999–2000 were issued to health authorities on the 27 May 1999 as part of the health authority cash allocation announcement. NHS Trusts were issued with their capital allocations on 22 June 1999.

Following the transfer of functions, this issue will be a matter for the National Assembly.

European Social Fund

Mr. Wigley: To ask the Secretary of State for Wales what preparations he is undertaking to develop within Wales appropriate financial management and payment systems for European Social Fund delivery for the period after 2000; and if he will make a statement. [87994]

Mr. Jon Owen Jones: My right hon. Friend the Secretary of State is in discussion with his right hon. Friend the Secretary of State for Education and Employment over arrangements under which responsibility for payments and financial management of ESF in Wales would transfer to the National Assembly for Wales from 2000. The terms will, however, need to be acceptable to the Assembly.

Non-departmental Public Bodies

Mr. Rowlands: To ask the Secretary of State for Wales for how many appointments to non-departmental public bodies he was responsible prior to the passing of the Government of Wales Act 1998; and for how many he is currently responsible. [88587]

Mr. Michael: I currently have sole responsibility for making 404 appointments to Executive, Advisory and Health Non-departmental Public Bodies in Wales. Responsibility for all these appointments will transfer to the National Assembly for Wales on 1 July.

As Secretary of State, I will retain responsibility for a small number of appointments to bodies which do not have NDPB status, such as the Parliamentary Boundary Commission for Wales and the Courts and Councils of the Universities.

There are also several UK bodies to which I make appointments, or where I have joint responsibility for making appointments, or am consulted on appointments. These responsibilities will also transfer to the Assembly by means of an Order in Council under Section 30 of the Government of Wales Act 1998.

Detailed information about public appointments for which I have had responsibility as Secretary of State for Wales is published quarterly in "Appointments made by the Secretary of State for Wales". The latest edition is dated March 1999 and is available in the House of Commons Library.

Mr. Rowlands: To ask the Secretary of State for Wales how many non-departmental public bodies there were in Wales prior to the Government of Wales Act 1998; and how many there are currently. [88586]

Mr. Michael: There were 42 non-departmental public bodies sponsored by my Department immediately prior to the Government of Wales Act 1998; there are now 37. The five bodies that have been abolished since 31 July 1998 are the Development Board for Rural Wales; the Land Authority for Wales; the Residuary Body for Wales; Tai Cymru; and the Welsh Advisory Committee on Drug and Alcohol Misuse.

Mr. Rowlands: To ask the Secretary of State for Wales if he will list *(a)* the non-departmental public bodies which have been abolished and *(b)* established since May 1997. [88642]

Mr. Michael: Since 1 May 1997, the following non-departmental public bodies have been abolished: the Agricultural Advisory Panel for Wales; the Development Board for Rural Wales; the Land Authority for Wales; the Residuary Body for Wales; the Staff Commission for Wales; Tai Cymru; the Welsh Advisory Committee on Drug and Alcohol Misuse; and the Welsh Council for Post-Graduate Medical and Dental Education. In addition, the Cardiff Bay Development Corporation has been identified for abolition. No new non-departmental public bodies have been established by the Secretary of State since 1 May 1997.

Heart Bypass Operations

Mr. Edwards: To ask the Secretary of State for Wales how many people are currently waiting *(a)* 0 to six months, *(b)* six to 12 months and *(c)* over 12 months for heart bypass operations in each NHS trust in Wales. [88924]

Mr. Jon Owen Jones: Information on the number of people waiting less than six months for coronary heart bypass operations is not collected centrally. At 31 March 1999, the numbers waiting 6 to 12 months and over 12 months in each of the relevant NHS trusts in Wales is given in the following table.

Numbers waiting over six months for coronary heart bypass graft surgery by NHS trust, 31 March 1999

Trust	*Number waiting 6 to 12 months*	*over 12 months*
Morriston Hospital NHS trust[1]	36	3
University Hospital of Wales NHS trust[2]	76	5

[1] Forms part of the new Swansea NHS trust
[2] Forms part of the new UHW/Llandough trust

Following the transfer of functions, this issue will be a matter for the National Assembly.

Refugees

Mr. Livsey: To ask the Secretary of State for Wales what consultations he has had with the Welsh Administration and Welsh local authorities about the implications of the Immigration and Asylum Bill for refugees in Wales. [89049]

Mr. Jon Owen Jones: The Home Office is in the lead on this matter, but Welsh Office officials have been directly involved in considering the strategic and operational implications for Wales from the outset.

Strategically, Welsh Office officials liaise with the Home Office and, together with the Welsh Local Government Association and Welsh Refugee Council, attend meetings of the Home Office Stakeholder Group.

Operationally, with particular regard to the proposed support and consortium arrangements, Welsh Office officials initiated consultation with interested parties in

Wales such as the WLGA, Local Authorities, the Welsh Refugee Council and other potential consortium agencies, and play an active part in the planning group which has arisen from this consultation.

Internally, a group drawing together all the relevant interests meets on a regular basis.

From 1 July, this role will fall to the National Assembly for Wales. I expect Assembly officials will continue to play an active and supportive role in conjunction with other interested parties to ensure that the implications of the Bill for Wales are fully considered and that the interests of Wales are fully taken into account.

NHS Waiting Lists

Mr. Touhig: To ask the Secretary of State for Wales what is the average waiting time for appointments with consultants in *(a)* obstetrics, *(b)* trauma and orthopaedics, *(c)* ENT, *(d)* coronary, *(e)* general surgery, *(f)* urology, *(g)* ophthalmology, *(h)* oral surgery, *(i)* gynaecology and *(j)* other specialties in each health authority area in Wales. [88904]

Mr. Jon Owen Jones: Information on routine out-patient waiting times for some common procedures, by consultant, is contained in the quarterly "Hospital Waiting Times Information for GPs and Patients" publication, a copy of which is held in the Library.

Information on average out-patient waiting times by health authority and specialty is not collected centrally.

Following the transfer of functions, this issue will be a matter for the National Assembly.

Mr. Touhig: To ask the Secretary of State for Wales what is the average waiting time between first appointments and any surgery deemed necessary in *(a)* obstetrics, *(b)* trauma and orthopaedics, *(c)* ENT, *(d)* coronary, *(e)* general surgery, *(f)* urology, *(g)* ophthalmology, *(h)* oral surgery, *(i)* gynaecology and *(j)* other specialties in each health authority area in Wales. [88905]

Mr. Jon Owen Jones: For all patients treated in a given period, data is available which gives the average waiting time between the decision of a consultant to admit a patient for treatment and the actual date of admission to hospital. For 1998, the average (mean) waiting times in weeks for each specialty and health authority are given in the following table.

Mean waiting times for selected specialities, by health authority, patients seen in 1998[1]—mean waits given to the nearest whole week

Speciality	*Gwent*	*Bro Taf*	*Dyfed Powys*	*North Wales*	*Morgannwg*
General surgery	16	15	17	13	12
Urology	12	10	10	12	12
Trauma and orthopaedic	29	23	26	23	22
Ear, nose and throat	20	17	16	22	16
Ophthalmology	22	19	19	18	21
Oral surgery	9	8	13	12	10
Cardiac surgery	31	26	27	13	22
Obstetrics	3	8	3	3	4
Gynaecology	12	11	7	11	10
All other specialties	9	9	6	8	11

[1] Mean waits are calculated using information in respect of the residents of each health authority treated in Welsh hospitals during 1998

Following the transfer of functions, this issue will be a matter for the National Assembly.

NHS Consultants

Mr. Touhig: To ask the Secretary of State for Wales how many people in each health authority area in Wales were referred to hospital out-patient departments between 1990 and the last year for which figures are available to see consultants in *(a)* obstetrics, *(b)* trauma and orthopaedics, *(c)* ENT, *(d)* coronary, *(e)* general surgery, *(f)* urology, *(g)* opthalmology, *(h)* oral surgery, *(i)* gynaecology and *(j)* other specialties. [88934]

Mr. Jon Owen Jones: Data are reported to the Welsh Office on the total number of referrals to NHS trusts in Wales. The totals for Wales in each of the years 1994–95 to 1998–99 are given in the following table. A breakdown of the data by health authority and specialty is not held centrally.

The total number of referrals to NHS trusts in Wales, 1994–95 to 1998–99:

Year	*Number of referrals*[1]
1994–95	578,462
1995–96	577,831
1996–97	610,117
1997–98	651,815
1998–99	680,985

[1] Data as reported to the Welsh Office by Welsh NHS trusts. They include estimates for Powys Health Care NHS trust for 1994–95 and 1995–96.

Following the transfer of functions, this issue will be a matter for the National Assembly.

Mr. Touhig: To ask the Secretary of State for Wales how many consultants there are in each health authority area in Wales working on *(a)* full-time contracts and *(b)* part-time contracts in (i) obstetrics, (ii) trauma and orthopaedics, (iii) ENT, (iv) coronary, (v) general surgery, (vi) urology, (vii) ophthalmology, (viii) oral surgery and (ix) gynaecology and (x) other specialties. [88936]

Mr. Jon Owen Jones: Information on NHS medical and dental staff is collected annually as at 30 September. The latest available information relates to September 1997 and is given in the following table.

Hospital medical and dental consultants in post at 30 September 1997 (excluding locums)

	Full-time	*Part-time*	*Total*
Bro Taf			
Obstetrics and gynaecology	11	6	17
Trauma and orthopaedics	12	2	14
ENT	7	2	9
Cardiology	6	2	8
Cardio-thoracic surgery	1	4	5
General surgery	10	13	23
Urology	3	3	6
Ophthalmology	4	3	7
Oral surgery	7	5	12
Other specialties	196	141	337
Dyfed Powys			
Obstetrics and gynaecology	6	11	17
Trauma and orthopaedics	8	10	18
ENT	2	9	11
Cardiology	1	2	3
Cardio-thoracic surgery	—	—	0
General surgery	10	9	19
Urology	1	2	3
Ophthalmology	5	6	11
Oral surgery	5	1	6
Other specialties	115	40	155
Gwent			
Obstetrics and gynaecology	7	5	12
Trauma and orthopaedics	8	5	13
ENT	1	3	4
Cardiology	—	—	0
Cardio-thoracic surgery	—	—	0
General surgery	9	4	13
Urology	2	1	3
Ophthalmology	1	3	4
Oral surgery	2	1	3
Other specialties	114	32	146
Morgannwg			
Obstetrics and gynaecology	6	5	11
Trauma and orthopaedics	6	5	11
ENT	5	1	6
Cardiology	4	—	4
Cardio-thoracic surgery	3	—	3
General surgery	12	6	18
Urology	1	2	3
Ophthalmology	5	2	7
Oral surgery	4	—	4
Other specialties	163	20	183
North Wales			
Obstetrics and gynaecology	6	8	14
Trauma and orthopaedics	7	4	11
ENT	2	5	7
Cardiology	2	—	2
Cardio-thoracic surgery	—	—	0
General surgery	9	9	18
Urology	2	2	4
Ophthalmology	7	2	9
Oral surgery	1	2	3
Other specialties	147	33	180
Wales[1]			
Obstetrics and gynaecology	36	26	62
Trauma and orthopaedics	39	22	61
ENT	16	15	31
Cardiology	13	2	15
Cardio-thoracic surgery	3	4	7
General surgery	51	35	86
Urology	8	9	17
Ophthalmology	20	14	34
Oral surgery	12	8	20
Other specialties	703	231	934

[1] A consultant working in more than one health authority area is counted in each authority in which they work but only once in the data for Wales as a whole.

Following the transfer of functions, this issue will be a matter for the National Assembly.

Hepatitis C

Mr. Win Griffiths: To ask the Secretary of State for Wales what estimate he has made of the cost of introducing a scheme to provide financial assistance for people who contracted hepatitis C through their haemophilia treatment; over how many years the scheme would last; and how many people would be eligible for such assistance. [89035]

Mr. Jon Owen Jones: In Wales, we believe there about 105 haemophiliacs who have been infected with hepatitis C through NHS treatment. We estimate that the cost for a special payment scheme for haemophiliacs would be in the region of £7m-£8m based on UK estimates.

Government policy remains that those infected with hepatitis C through NHS treatment should not receive special payments, as the same considerations would apply to patients infected with another illness or otherwise harmed as a result of medical or surgical procedure not resulting from negligence.

Following the transfer of functions, this issue will be a matter for the National Assembly for Wales.

Mr. Win Griffiths: To ask the Secretary of State for Wales how many people with haemophilia were infected with hepatitis C through their NHS treatment before 1986; and how many are still alive. [89034]

Mr. Jon Owen Jones: The information requested is not available centrally.

Following the transfer of functions, this issue will be a matter for the National Assembly.

Mr. Win Griffiths: To ask the Secretary of State for Wales what assessment he has made of financial assistance schemes for people who contracted hepatitis C through contaminated blood products in *(a)* Canada, *(b)* Ireland and *(c)* Italy; and if he will assess the benefits of introducing similar schemes in Wales. [89036]

Mr. Jon Owen Jones: It continues to be Government policy that compensation or other financial help to particular patients or groups of patients is paid only where the NHS or individuals working in it have been at fault. We are aware of compensation schemes in other countries, but these relate to the specific policy and operational circumstances in those countries and a direct comparison would not be appropriate.

Following the transfer of functions, this issue will be a matter for the National Assembly.

Dental Services

Mr. Win Griffiths: To ask the Secretary of State for Wales what percentage of general dental practices are linked electronically to the Dental Practice Board in each health authority area. [89037]

Mr. Jon Owen Jones: The position as of 31 March 1999, as reported by the Dental Practice Board (DPB), is that the percentage of general dental practices that are able to transmit claims (i.e. are linked) electronically to the Dental Practice Board in each health authority area are:

	Per cent.
Gwent	49.1
Bro Taf	49.6
Dyfed Powys	44.9
North Wales	49.2
Iechyd Morgannwg	46.9

This represents a figure of 48.1 per cent. for Wales as a whole. May I clarify the answer I gave my hon. Friend on 15 March 1999, *Official Report*, column 529. The figure of 66 per cent. quoted in my answer, based on data provided by the DPB, referred to general dental practitioners in Wales who utilised information management and technology systems at that time, of which a proportion were linked electronically to the DPB.

Following the transfer of functions, this issue will be a matter for the National Assembly.

Mr. Win Griffiths: To ask the Secretary of State for Wales if local health groups will be required to make available funding for dental audit on at least the same scale as the funding which is already available. [89038]

Mr. Jon Owen Jones: The new clinical governance agenda gives local health groups an important role to play in encouraging and supporting quality improvement projects. This therefore provides a mechanism for the dental profession to have equal access to funding for dental audit projects. Applications from the primary health care sector, including dentists, will be assessed by the relevant local health group, all of whom have an elected dental member. Funding will be made available on the basis of the merits of the application/business case submitted.

In addition, the Department funds a Dental Adviser post whose primary role is to encourage and support successful applications for funding from the dental profession in Wales.

Following the transfer of functions, this issue will be a matter for the National Assembly.

CABINET OFFICE

Drugs

Mr. Flynn: To ask the Minister for the Cabinet Office what is his estimate of the amounts of confiscated illegal drug assets that will be used for anti-drugs measures in each of the next 10 years; and what percentage he estimates this will be of the total value of illegal drugs trafficked in the United Kingdom. [86955]

Dr. Jack Cunningham: The first annual report of the UK Anti-Drugs Co-ordinator sets out that from the financial year 1999–2000, assets seized from drug traffickers in the UK will be channelled back into anti-drugs work through a new Confiscated Assets Fund (CAF). The activities to be funded will be identified by the UK Anti-Drugs Co-ordinator based on his assessment of the strategic priorities. For 1999–2000 the Fund will total £3 million; this should rise to £5 million in 2000–01 and £7 million in 2001–02. The amounts allocated to the Fund thereafter will be set according to receipts in the previous year.

There are no figures available for the value of illegal drugs trafficked.

LORD CHANCELLOR'S DEPARTMENT

European Communities Working Groups

Mr. Bercow: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list the European Communities working groups which met over the last 12 months with a representative from his Department in attendance; if he will list the number of times each met; if he will indicate the nature of the Government's representation; and if he will make a statement. [88468]

Mr. Vaz: Officials from my Department regularly attend meetings of Council working groups. Occasionally my Department is represented by officials from the United Kingdom's Permanent Representation to the European Union. I have listed the working groups with which my Department is most closely involved, and the number of times these have met in the last 12 months.

Working group	*Meetings*
Extension of the Brussels Convention	1
Rome II	5
Revision of the Brussels and Lugano Conventions	7

Treasury Counsel

Mr. Dismore: To ask the Parliamentary Secretary, Lord Chancellor's Department what *(a)* representations were made, *(b)* correspondence was had and *(c)* meetings were held by (i) the Lord Chancellor and (ii) the Parliamentary Secretary's predecessor about (1) the creation of the vacancy for Treasury Counsel (Common Law) in May 1997 and (2) the filling of the vacancy. [89114]

Mr. Vaz: Soon after the Lord Chancellor was appointed to that office in May 1997, it became apparent to him that the then First Treasury Counsel (Common Law) should be recommended to Her Majesty for appointment as a puisne judge of the High Court. He informed the Attorney-General that this appointment would be offered. The Attorney-General and the then Solicitor-General consulted widely as to who should be appointed to the post of First Treasury Counsel, and the Lord Chancellor was among those who were consulted. Once the Attorney-General had decided who should be appointed, his Department had correspondence with the Lord Chancellor's Department to synchronise the announcement of the two appointments.

To the best of my knowledge, my predecessor was not in any way concerned with either of these appointments.

PRIME MINISTER

Devolution (Scotland)

Mr. Maxton: To ask the Prime Minister if he will make a statement regarding the giving of advice by the First Minister to Her Majesty on the exercise of her functions in connection with the implementation of the Scotland Act 1998. [89358]

The Prime Minister: In a number of situations advice is by convention, given by a Minister of the Crown to Her Majesty in respect of the exercise of her functions. The majority of Her Majesty's functions in respect of which she receives advice from a Minister of the Crown in this way relate to the making of appointments and the use of the Royal prerogative.

As a consequence of the new constitutional arrangements under the Scotland Act 1998, it is proposed that in some of those situations the First Minister instead of a Minister of the Crown will give advice, by convention, to Her Majesty after 1 July in respect of her functions. No formal order is required to give effect to these transfers, which will be carried out by administrative arrangement. In this context "Her Majesty's functions" refer to her statutory functions and cases where Her Majesty acts under her prerogative or common law powers. It concerns only those functions of Her Majesty which she exercises personally and not those which are exercised on her behalf by a Minister of the Crown. It deals only with circumstances in which a Minister of the Crown provides advice to Her Majesty by convention and it does not deal with circumstances in which a Minister of the Crown exercises a statutory function of advising Her Majesty. Where appropriate, provision has been made in the Scotland Act, or in subordinate legislation under the Scotland Act, to transfer these statutory advice-giving functions from the Minister of the Crown to the First Minister.

In cases where Her Majesty exercises a function which is exercisable within devolved competence for the purposes of the Scotland Act 1998 and she is, by convention, advised by a Minister of the Crown about the exercise of that function, then after 1 July she will be advised by the First Minister instead of by a Minister of the Crown.

For example, Her Majesty exercises the Royal prerogative of mercy and appoints regius professors of the ancient Scottish universities in this way. A list of further examples of circumstances in which Her Majesty will in future be advised by the First Minister instead of by the Secretary of State in relation to the exercise of her functions which relate in whole or in part to a devolved matter has been placed in the Library.

There are some matters in respect of which the Prime Minister gives advice to Her Majesty on the exercise of her functions and on which it would be appropriate for the Prime Minister to consult or to take advice from the First Minister. These matters include recommendations of Scottish candidates for honours and dignities, which are a reserved matter, and advice on the appointment of Lords Lieutenants in Scotland, the Lord High Commissioner to the General Assembly of the Church of Scotland and members of the Royal Commission on Environmental Pollution and the Forestry Commission. There are also matters where a Minister of the Crown gives advice to Her Majesty and where it also would be appropriate for the First Minister to be consulted by or to give advice to that Minister of the Crown.

The Scotland Act 1998 confers upon the First Minister various functions of advising Her Majesty either directly or through the Prime Minister. This includes seeking Her Majesty's approval to the appointment of Scottish Ministers and recommending to Her Majesty persons for appointment as Scottish Law Officers. Section 95 of the Act sets out in detail the arrangements for the First Minister to nominate persons for appointment as Lord President of the Court of Session and Lord Justice Clerk to the Prime Minister, who in turn makes recommendations on those appointments to Her Majesty. It also provides for the First Minister to recommend to Her Majesty the appointment of other judges.

In a number of other situations, Her Majesty is advised in relation to the exercise of her functions by the Privy Council rather than by a Minister of the Crown. The Privy Council deals with various items of Scottish business, both prerogative business and statutory matters, such as the grant of Royal Charters and Privy Council appointments. I have placed a paper in the Libraries of both Houses that briefly describes the circumstances in which the First Minister will, from 1 July, contribute to Privy Council business in the same manner as the Secretary of State for Scotland has done.

Engagements

Sir Peter Tapsell: To ask the Prime Minister if he will list his official engagements for Wednesday 30 June. [88447]

The Deputy Prime Minister: I have been asked to reply.

As the House knows, the Prime Minister has decided to remain in Northern Ireland today, in order to make every effort to secure agreement between the parties in Northern Ireland.

I am sure the whole House will wish him, the Irish Prime Minister and all the parties well in their endeavours to bring lasting peace to Northern Ireland.

United Nations

Mr. Corbyn: To ask the Prime Minister what proposals he has put forward for reform of the United Nations. [87763]

The Deputy Prime Minister: I have been asked to reply.

I refer my hon. Friend to the answer given to him by my right hon. Friend the Prime Minister on 23 June 1999, *Official Report*, column *399*.

HEALTH

Coronary Heart Disease

Laura Moffatt: To ask the Secretary of State for Health on what date the national framework for coronary heart disease will be published. [85963]

Mr. Hutton: A rolling programme of National Service Frameworks was announced last year. The first two frameworks—on coronary heart disease and on mental health—are planned to be published this summer.

Dr. Cable: To ask the Secretary of State for Health, pursuant to his answer of 10 March 1999, *Official Report*, column *296*, on cardiac rehabilitation programmes, when he expects to publish the national service framework for coronary heart disease. [87852]

Mr. Hutton: A rolling programme of National Service Frameworks was announced last summer. The first two—on coronary heart disease and on mental health—will be published this summer.

Genetically Modified Crops

Joan Ruddock: To ask the Secretary of State for Health if he will list the antibiotics to which marker genes used in the production of genetically modified crops convey resistance and the medical uses of those antibiotics. [86317]

Ms Jowell: The antibiotic marker genes and the antibiotics to which they convey resistance that are used in the production of genetic modification of plant crops are Kanamycin; Ampicillin; Hygromycin; Streptomycin; Spectinomycin; Tetracycline; Amikacin and Gentamycin. There are no currently licensed indications for Hygromycin.

The licensed indications for the others are:

Kanamycin:

For the treatment of infections due to gram-negative organisms resistant to other antibiotics. It may also be used in the treatment of certain staphylococcal infections due to multi-resistant strains, and in gonorrhoea.

Ampicillin:

Urinary-tract infections, otitis media, sinusitis, chronic bronchitis, invasive salmonellosis, gonorrhoea.

Streptomycin:

Tuberculosis, in combination with other drugs; adjunct to doxycycline in brucellosis.

Tetracycline:

Exacerbations of chronic bronchitis; brucellosis, chlamydia; mycoplasma, and rickettsia; acne vulgaris, rosacea.

Spectinomycin:

Gonorrhoea caused by penicillin-resistant.

Amikacin:

Serious Gram-negative infections resistant to gentamicin.

Gentamicin:

Septicaemia and neonatal sepsis; meningitis and other CNS infections; biliary-tract infection, acute pyelonephritis or prostatitis, endocarditis caused by viridans streptococci or *Enterococcus faecalis* (with penicillin); pneumonia in hospital patients adjunct in listerial meningitus.

Surgical Detritus

Mr. Gordon Prentice: To ask the Secretary of State for Health, pursuant to his answer of 20 May 1999, *Official Report*, column *425*, how much compensation has been paid *(a)* to persons left with surgical detritus inside them following an operation and *(b)* to the relatives of those who died as a consequence of such negligence in each of the last three years. [86650]

Mr. Denham: The National Health Service Litigation Authority reports that payments in respect of claims arising from a foreign body left inside a patient following surgery amounted to £1,073,192 in the period 1 April 1995 to date.

Mr. Gordon Prentice: To ask the Secretary of State for Health how many actions were brought against NHS trusts alleging negligence arising from surgical detritus left in wounds following an operation for the most recent year for which figures are available. [87671]

Mr. Denham: 252 claims arising from foreign bodies left inside a patient were reported to the National Health Service Litigation Authority in the period 1 April 1995 to date.

Radiotherapy

Mr. Paul Marsden: To ask the Secretary of State for Health when he will publish the report on the review of radiotherapy provision. [87970]

Mr. Hutton: I refer my hon. Friend to the reply I gave him on 14 June 1999, *Official Report*, column *11*.

NHS Management Posts

Dan Norris: To ask the Secretary of State for Health what progress the Government have made on reducing management posts in the NHS. [88216]

Mr. Denham: We recognise the importance of good management in improving health and modernising the National Health Service. We have no plans, therefore, to set targets to reduce the number of management posts in the NHS. However, we remain committed to tackling unnecessary bureaucracy to ensure that a greater proportion of every pound spent in the NHS is directed towards patient care.

Action taken to reduce NHS management costs in 1997–98 and 1998–99 have already freed up £¼ billion by 1999–2000 that would otherwise have been spent on bureaucracy. Further reductions are planned in 1999–2000.

Long-term Care

Mr. Bill O'Brien: To ask the Secretary of State for Health how many long-term care beds for elderly and mentally disabled people were available in each health authority area in England on 1 May. [88227]

Mr. Hutton: The information requested on the number of long-term care beds in each Health Authority is not available centrally.

The available information on the number of residential care beds and beds in wards open 24 hours within each health authority area in England for 1997–98 has been placed in the Library.

Allergy Bracelets

Mr. Swayne: To ask the Secretary of State for Health if he will make funds available to Medic Alert in order to defray the costs of re-engraving allergy bracelets for those on low incomes following the proposed changes to telephone numbers in the Central London area. [88656]

Mr. Hutton: The Department has no funds available for this purpose. Telephone numbering is a matter for the Office of Telecommunications.

Waiting Times (South Staffordshire)

Mr. Fabricant: To ask the Secretary of State for Health if he will list the average waiting times from GP referral to inpatient admission for patients living in the South Staffordshire Health Authority area for each of the last four years for which data are available. [88446]

Mr. Denham: The Department does not collect data on patients' total waiting time from general practitioner referral to inpatient admission.

EDUCATION AND EMPLOYMENT

School Playing Fields

Mr. Spring: To ask the Secretary of State for Education and Employment where detailed information is kept on the individual school playing fields sold between 1979 and 1999. [88661]

Mr. Charles Clarke: Prior to 1 October 1998, there were no restrictions, other than those that may have been imposed by the planning authorities, on the sale of school playing fields by local education authorities. The Department does not, therefore, have any information on the sale of individual school playing fields by local authorities before that date.

The Department does have information about the sale of school playing fields by grant-maintained schools from 1988 to the present.

Mr. Spring: To ask the Secretary of State for Education and Employment if he will list the school playing fields which the Government have prevented from being sold and developed *(a)* between 1 May 1997 and 30 September 1998 and *(b)* since 1 October 1998. [88663]

Mr. Charles Clarke: Since 1 May 1997, applications by the governing bodies to sell playing fields at the following grant-maintained schools have been rejected:

Merrill College, Derby
Cranbrook School, Kent
Lincoln Christ's Hospital School
The King's School, Peterborough
Deacon's School, Peterborough.

Before 1 October 1998, there was no control over the sale of playing fields by local authorities. The Government introduced control by bringing into force section 77 of the School Standards and Framework Act 1998. Since then, all application from local authorities to sell, or change the use of school playing fields have been considered against strict criteria. So far, all the applications that have been considered have met the criteria and have, therefore, been approved. It would not be in a local authority's interest to submit an application that did not meet the criteria. What we do not know is how many local authorities have been deterred from submitting applications to sell school playing fields that, prior to 1 October 1998, they could have sold without needing consent.

Mr. Nigel Jones: To ask the Secretary of State for Education and Employment if he will assess the impact on community usage of non-sport development of school sports grounds. [88743]

Mr. Charles Clarke: Before a local authority, governing body or foundation body in England may dispose, or change the use of a school playing field, they must first secure the prior consent of my right hon. Friend the Secretary of State. Applications for consent are considered against four criteria published in DfEE Circular 3/99, "The Protection of School Playing Fields". One of these criteria is that the playing field provision and other sports facilities to be left will meet the needs of the local community. This is in addition to any consideration of proposed development under the planning system.

Mr. Nigel Jones: To ask the Secretary of State for Education and Employment what plans he has to ensure that schools do not replace all their grass pitches with artificial surfaces. [88496]

Mr. Charles Clarke: Whether or not a maintained school's outdoor sporting provision is grass, hard surfaced or artificial surfaced is a decision best taken at local level. However, paragraph 55 of DfEE Circular 3/99 "The Protection of School Playing Fields", highlights the fact that not all types of games can be played on artificial surfaces and that a balance may need to be struck. Our Building Bulletin 85, "School Grounds: A Guide to Good Practice", provides detailed advice.

Mr. Nigel Jones: To ask the Secretary of State for Education and Employment what is his Department's policy on use of school sports facilities by the community. [88744]

Mr. Charles Clarke: Individual governing bodies control the use of their school's premises but, in doing so out of school hours, the law requires them to have regard to the desirability of making their premises available to the wider community. We value community use and the "Code of Practice on LEA-School Relations", published this year, states that

> "schools should seek out opportunities to develop their community role".

Later this year, the Department will be issuing further guidance on community use of school facilities as part of a drive to better promote community use.

Climate Change Levy

Mr. Pearson: To ask the Secretary of State for Education and Employment what estimate he has made of *(a)* the cost of the climate change levy to his Department and *(b)* the savings from the reduction in national insurance contributions that will occur when it is introduced. [88859]

Mr. Mudie: The net impact of the climate change levy and the associated reduction in the main rate of employers' National Insurance Contributions on the Department for Education and Employment will depend on the rates of climate change levy. The final rates of climate change levy will not be set until the Finance Bill 2000.

In addition, the Government are still considering a number of detailed issues on the tax treatment of different energy products which could have a significant impact in some instances. It is therefore not possible to give definitive figures about the impact of the climate change levy on the Department for Education and Employment.

Key Stage 2 (Attainment Levels)

Charlotte Atkins: To ask the Secretary of State for Education and Employment (1) what steps he has taken to encourage schools with able children to take up the opportunity to sit level 6 tests in English, Mathematics and Science at Key Stage 2 SATS; [88833]

(2) what research he has *(a)* commissioned and *(b)* evaluated on the numbers of children who attained level 6 at Key Stage 2 SATS in 1998 in English; what conclusions were reached; and what future work is planned on this subject area. [88834]

Mr. Charles Clarke: It is the role of the teacher to assess which children are working within Level 6 in a subject and therefore which pupils should be entered for both the Levels 3–5 tests and the Level 6 extension test. Level 6 is awarded in a subject only when a child has attained a Level 5 on the main Levels 3–5 National Curriculum tests in addition to achieving sufficient marks on the extension test.

The Qualifications and Curriculum Authority (QCA) is currently reviewing National Curriculum extension tests and is taking full account of the recommendations in the recent Select Committee Report on Highly Able Children. The Government will ensure that any changes are consistent with its commitment to improve the education of gifted and talented children.

The QCA has commissioned research, on behalf of the Secretary of State, from the University of Leeds and the National Federation of Educational Research (NFER) to look at the design of the Level 6 test. Their job will be to incorporate comments received by the QCA about children's performance at Level 6 and how future tests can be designed to make them more accessible to pupils.

59 pupils achieved the Level 6 English extension test in 1998.

Out-of-school Clubs

Mr. Lock: To ask the Secretary of State for Education and Employment if he will make a statement on his policy towards local education authorities seeking to impose full cost recovery or full commercial rate charges on out of school clubs operating out of premises owned by local education authorities for their use of the premises and associated facilities. [R] [88959]

Mr. Charles Clarke *[holding answer 29 June 1999]:* A School's budget may not be used to subsidise non-school activities. Sections 149–152 of the Education Act 1996 and, from 1 September 1999, Schedule 13 to the School Standards and Framework Act 1998, require that community use of school premises must be self-financing. Rates are not payable by out-of-school clubs. Paragraph 58 of the "Code of Practice on LEA-School Relations" states

> "there may be a natural tendency to maximise profits from letting to community users. But nothing in guidance from LEAs about the costs to be recouped, or in decisions taken by governing bodies ... should promote the maximisation of profits at the expense of existing, or potential, benefits to the wider community."

The department will be issuing further guidance on community use of school facilities later this year.

Mr. Lock: To ask the Secretary of State for Education and Employment what guidance his Department has issued to local education authorities concerning the proper basis upon which out of school clubs operating out of premises owned by local education authorities should be charged for their use of the premises and associated facilities. [R] [88960]

Mr. Charles Clarke *[holding answer 29 June 1999]:* The Department's advice is currently set out in paragraph 58 of the "Code of Practice on LEA-School Relations". This states that

> "there may be a natural tendency to maximise profits from lettings to community users. But noting in guidance from LEAs about the costs to be recouped, or in decisions taken by governing bodies ... should promote the maximisation of profits at the expense of existing, or potential, benefits to the wider community."

Legislation requires that community use is self-financing. A school may not subsidise non-school activities with its own budget. The Department will be issuing further guidance on community use of school facilities later this year.

Sustainable Development Education Panel

Mr. Chaytor: To ask the Secretary of State for Education and Employment what plans he has to respond to the recommendations of the First Annual report of the Sustainable Development Education Panel; and if he will make a statement. [88891]

Mr. Charles Clarke: These are important and wide-ranging recommendations. I congratulate the Panel on its hard work.

I met the Chairman of the Panel, Sir Geoffrey Holland, and Panel members in May, and discussed their plans to consult on the recommendations in the Annual Report affecting further and higher education, youth services, and training for employment. As far as the schools sector is concerned, we agreed that the current consultation on the draft National Curriculum would enable the sector to state its views on the coverage of sustainable development, particularly in geography, science and citizenship.

I am keen to develop appropriate partnerships in the area of out-of-school education, and I asked the Panel to let me have further proposals on this. I am also keen to involve employers as much as possible in spreading sustainable development messages and I hope to speak at an event organised by the Panel in due course.

I have written to Anthea Millet, the Chief Executive of the Teacher Training Agency, and to Chris Woodhead, HM Chief Inspector of Schools, asking them to meet

Sir Geoffrey to discuss the Annual Report's implications for teacher training and the inspection framework. The meeting between Sir Geoffrey and Anthea Millett has now taken place, and I understand that the TTA will write to Sir Geoffrey shortly to follow up the meeting with some suggestions on sustainable development.

I propose to meet the Panel Chairman and members from time to time to review progress.

EFL Courses

Mr. Chaytor: To ask the Secretary of State for Education and Employment (1) what assessment he has made of the impact on the budgets of those further education colleges which are major providers of English as a foreign language courses of the current proposal by the Further Education Funding Council to withdraw Schedule 2 funding; and if he will make a statement; [88888]

(2) what discussions he has had with the Further Education Funding Council concerning its proposal to withdraw Schedule 2 funding for English as a foreign language courses; [88890]

(3) what representations he has received concerning the proposal by the Further Education Funding Council to withdraw Schedule 2 funding for English as a foreign language courses. [88892]

Mr. Mudie: The Further Education Funding Council (FEFC) is reviewing the position of English as a Foreign Language (EFL) qualifications with representatives of further education colleges which are major providers of EFL qualifications. But there is no current proposal from the FEFC to withdraw Schedule 2 funding from EFL courses. The FEFC continues to fund EFL qualifications under Schedule 2(f), such courses having previously been funded under Schedule 2(a).

Further Education

Mr. Paul Marsden: To ask the Secretary of State for Education and Employment (1) how often the Charter for Further Education is reviewed and revised; and if he will make a statement; [88582]

(2) what assessment he has made of the extent to which the standards in the Charter for Further Education are being met; and if he will make a statement. [88583]

Mr. Mudie: The Charter for Further Education was last reviewed and an addendum issued in October 1997. "Service First—the new charter programme" encourages the continued development and revision of local charters in line with the Government's commitment to improving local services. Further Education sector colleges have their own charters which focus on local needs. The national charter remains under review.

The Further Education Funding Council Inspectorate monitors colleges' performance against local and national charter standards, as part of its ongoing assessment of quality in the sector. Inspectors' findings are routinely included in published college reports. These highlight good practice and, where necessary, issues which need to be addressed.

Sixth Forms

Mr. Paul Marsden: To ask the Secretary of State for Education and Employment, pursuant to his answer of 25 May 1999, *Official Report*, column *100*, concerning the costs of education and training for 16 to 19 year olds, if he will harmonise the funding per student of sixth form colleges and local education authority-maintained school sixth forms. [88780]

Mr. Mudie: At present, it is the responsibility of Local Authorities to allocate funds to schools, and of the Further Education Funding Council to allocate funds to other sixth-form providers.

Today the Government issued a White Paper "Learning to Succeed", setting out plans for a Learning and Skills Council which will in future fund Further Education colleges. A parallel consultation paper has been published today inviting views on options for the funding of school sixth forms in the light of the new arrangements. I refer my hon. Friend to these documents, which have been placed in the Library this afternoon, and to the statement made to the House this afternoon by my right hon. Friend the Secretary of State.

Mr. Paul Marsden: To ask the Secretary of State for Education and Employment, pursuant to his answer of 25 May 1999, *Official Report*, column *100*, about A level funding, what discussions he has had with the Secretary of State for the Environment, Transport and the Regions about the average level of funding of students at sixth-form colleges; and if he will make a statement. [88575]

Mr. Mudie: There are regular discussions between the Secretaries of State for Education and Employment and Environment, Transport and the Regions on many issues. The DETR was naturally involved in discussions leading up to the publication today of our White Paper "Learning to Succeed", and a parallel consultation paper on options for future arrangements for school sixth-form funding.

Mr. Paul Marsden: To ask the Secretary of State for Education and Employment what discussions he has had with sixth form teachers and principals about the review of post-16 educational training; and if he will make a statement. [88585]

Mr. Mudie: A number of sixth-form colleges responded to our consultation on the post-16 review as well as representative organisations of colleges and teaching unions. I have also recently met the National Union of Teachers. The Government today issued a White Paper setting out its plans for post-16 education and training.

Mr. Bob Russell: To ask the Secretary of State for Education and Employment what representations he has received regarding the pay levels of teaching staff in sixth form colleges. [88434]

Mr. Mudie: We have recently met representatives of the Sixth Form Colleges Employers Forum and the National Joint Council for Sixth Form Colleges to discuss issues about the pay and conditions of sixth form college lecturers. We have received a number of letters from hon. Members about this issue. We have replied to those representations, noting that we are providing very substantial extra funds for further education—£725 million over the next two years. Colleges are responsible for the pay and conditions of their staff. Nevertheless, we take every opportunity to encourage

unions and employers to work together to determine a sensible way forward under the improved circumstances we have created.

Mr. Bob Russell: To ask the Secretary of State for Education and Employment if he will take steps to harmonise pay levels of teaching staff in sixth form colleges and staff teaching the same age group in schools with sixth forms. [88433]

Mr. Mudie: Sixth Form Colleges are independent, and we do not wish to interfere with that independence. We are providing very substantial extra funds for further education—£725 million over the next two years. This will offer colleges more room to manoeuvre when setting pay levels.

The Government today issued a White Paper "Learning to Succeed", setting out plans for a Learning and Skills Council which will in future fund further education colleges. A parallel consultation paper was published inviting views on options for the funding of school sixth forms in the light of the new arrangements.

Departmental Staff

Mr. Willis: To ask the Secretary of State for Education and Employment how many people were employed by his Department in each of the years from 1993–94 to 1998–99; if he will break down the total into the categories *(a)* male, *(b)* female, *(c)* registered disability and *(d)* ethnic minority; and if his Department has an equal opportunities policy. [88684]

Mr. Mudie: The following table shows the breakdown of staff figures in DfEE from 1993–94 to 1998–99:

	Total employed	*(a) Male*	*(b) Female*	*(c) Registered disability*	*(d) Ethnic minority*
1 April 1993	8,978	3,950	5,028	—	—
1 April 1994	6,561	2,887	3,674	—	—
1 April 1995	5,683	2,500	3,183	—	—
1 April 1996	5,212	2,345	2,867	240	324
1 April 1997	4,795	2,206	2,589	226	312
1 April 1998	3,956	1,838	2,118	191	310
1 April 1999	4,094	1,874	2,220	247	347

DfEE has a comprehensive Equal Opportunities Strategy which overarches our proactive equal opportunities action plans. Equality of opportunity is central to the achievement of DfEE's objectives and values. It is about the effectiveness of everything we do—how we manage ourselves, how we develop policy and how we deliver services. The Department is committed to being an equal opportunities employers. We value and welcome diversity and aim to develop all our staff to enable them to make a full contribution to meeting the Department's objectives, and to fulfil their own potential on merit. DfEE will not tolerate harassment or other unfair discrimination on grounds of sex, marital status, race, colour, nationality, ethnic origin, disability, age, religion or sexual orientation. We will promote and support the use of a range of flexible working patterns to enable staff to balance home and work responsibilities; and we will treat people fairly irrespective of their working arrangements.

TREASURY

Offshore Oil Revenues

Mr. Jack: To ask the Chancellor of the Exchequer if he will list for each of the last five financial years the amount of revenue received per barrel of oil extracted from United Kingdom offshore fields. [88790]

Mrs. Roche: North Sea oil tax revenues per barrel of oil produced in the same financial year, including revenues from gas production converted into equivalent amounts of oil, are in the table.

Financial year	*Tax[1] revenue per barrel (£)*
1994–95	1.20
1995–96	1.70
1996–97	2.40
1997–98	2.20
1998–99[2]	1.60

[1] Petroleum revenue tax, corporation tax, and royalty

[2] Provisional

VAT

Mr. Maude: To ask the Chancellor of the Exchequer (1) if he will estimate the total annual revenue if VAT were charged at *(a)* 17.5 per cent. and *(b)* five per cent. on the issue, transfer or receipt of, or any dealing with, any security or secondary security; [88379]

(2) if he will estimate the total annual revenue if VAT were charged at *(a)* 17.5 per cent. and *(b)* five per cent. on the underwriting of the issue of any money, or security, or note or order for the payment of money; [88380]

(3) if he will estimate the total annual revenue if VAT were charged at *(a)* 17.5 per cent. and *(b)* five per cent. on the services of the authorised corporate director of an open-ended investment company so far as they consist in managing the company's scheme property; [88381]

(4) if he will estimate the total annual revenue if VAT were charged at *(a)* 17.5 per cent. and *(b)* five per cent. on the management of an authorised unit trust scheme or of a trust-based scheme by the operator of the scheme; [88382]

(5) if he will estimate the total annual revenue if VAT were charged at *(a)* 17.5 per cent. and *(b)* five per cent. on the making of any advance of the granting of any credit; [88383]

(6) if he will estimate the total annual revenue if VAT were charged at *(a)* 17.5 per cent. and *(b)* five per cent. on the provision of the facility of instalment credit finance in a hire-purchase, conditional sale or credit sale agreement for which facility a separate charge is made and disclosed to the recipient of the supply of goods; [88384]

(7) if he will estimate the total annual revenue if VAT were charged at *(a)* 17.5 per cent. and *(b)* five per cent. on the provision of administrative arrangements and documentation and the transfer of the title to the goods in connection with the provision of the facility of instalment credit finance in a hire-purchase, conditional sale or credit

sale agreement for which facility a separate charge is made and disclosed to the recipient of the supply of goods if the total consideration therefore is specified in the agreement and does not exceed £10; [88385]

(8) if he will estimate the total annual revenue if VAT were charged at *(a)* 17.5 per cent. and *(b)* five per cent. on the issue, transfer or receipt of, or any dealing with, money, any security for money or any note or order for the payment of money. [88386]

Dawn Primarolo: It is not possible to provide the requested estimates due to insufficient data on these specific financial activities.

Mr. Pearson: To ask the Chancellor of the Exchequer what prior consultations were held by Customs and Excise with trade sectors concerned by the legislative changes enacted by the VAT (Finance) Order 1999; and if he will make a statement. [88920]

Dawn Primarolo: Through the regular meetings of the joint finance sector liaison group, businesses have been aware for some time of Customs and Excise concerns in this area. It was not possible to consult on specific proposals because of the risk of tax avoidance. In this area there is a history of forestalling adverse tax changes by the use of artificial pre-payment schemes that side-step the intended effect for some years in the future, leading to considerable loss of revenue.

Mr. Pearson: To ask the Chancellor of the Exchequer what legal advice he sought on *(a)* the vires of the VAT (Finance) Order 1999 and *(b)* its compatibility with European law; and if he will make a statement. [88922]

Dawn Primarolo: In considering the content of the Order, Customs took advice from in-house lawyers and from independent leading Counsel.

Mr. Pearson: To ask the Chancellor of the Exchequer when he expects Customs and Excise to produce written guidance on how the provisions of the VAT (Finance) Order 1999 will be applied; and if he will make a statement. [88926]

Dawn Primarolo: HM Customs and Excise produced standard explanatory material on Budget Day when the VAT (Finance) Order 1999 was announced. Immediately following this they undertook detailed explanatory meetings with trade representatives and advisers. Customs have sent a draft of a more detailed guidance note to a number of trade representatives for comment. They aim to publish this by mid July.

Mr. Pearson: To ask the Chancellor of the Exchequer if he will review with Customs and Excise how they propose to handle judgments of VAT tribunals where both the financial sector and Customs and Excise have agreed beforehand to treat such judgments as test cases; and if he will make a statement. [88923]

Dawn Primarolo: The care and management of VAT, including the conduct of litigation, is the statutory responsibility of the Commissioners of Customs and Excise. They did not agree to treat as a "test" case any recent or current case concerning financial services.

The Tribunal has primary responsibility for determining the facts of a case. Its decisions are binding between the parties but do not constitute binding legal precedent. Either party has a right of appeal on a matter of law to the higher courts; and on matters of European law either the Tribunal or a higher court may refer questions to the European Court of Justice.

Mr. Maude: To ask the Chancellor of the Exchequer what plans he has to adopt Article 4.4 of the EC Sixth VAT Directive; and if he will make a statement. [88913]

Dawn Primarolo: Article 4.4 of the Sixth VAT Directive has been incorporated into UK law as VAT Act 1994 sections 4 and 43 and Schedule 1 paragraphs 1A and 2. There are no plans to introduce further legislation.

Inland Revenue 35

Mrs. Organ: To ask the Chancellor of the Exchequer what representations have been received concerning the introduction of Inland Revenue 35. [88415]

Dawn Primarolo *[holding answer 29 June 1999]*: There have been a substantial number of responses both to the Budget Day Press Release IR35 and the subsequent material which the Inland Revenue have been distributing to interested parties. The Government are currently considering the representations.

Ms Ward: To ask the Chancellor of the Exchequer what progress is being made on the implementation of Inland Revenue 35. [88222]

Dawn Primarolo: The Inland Revenue is currently considering representations received in response to the proposals.

Duty Free

Mr. Maude: To ask the Chancellor of the Exchequer, pursuant to Her Majesty's Customs and Excise Information Sheet (June 1999) regarding excise duty and VAT arrangements following the withdrawal of duty free sales of goods to intra-Community travellers, what is the VAT liability on goods liable to UK VAT in the domestic market purchased on a flight from London to New York which is subsequently diverted to Paris *(a)* when the passengers are permitted to disembark at Paris to join a new flight to New York and *(b)* when passengers remain on the same aircraft until it is able to continue to New York. [88918]

Dawn Primarolo: The withdrawal of duty free sales of goods with effect from 1 July only affects travellers on intra-Community journeys. Passengers travelling outside the EU will continue to be able to purchase duty free goods. Diversion of an international flight via another Community airport would not affect the VAT relief of sales to passengers on that flight. In such circumstances passengers, and any duty free goods that they had purchased, would be subject to the usual arrangements whereby they would remain within a Customs controlled area pending their onward flight.

Community Budget

Ms Lawrence: To ask the Chancellor of the Exchequer when he will publish the Statement on the 1999 Community Budget. [89459]

Ms Hewitt: I have today laid before Parliament the Statement on the 1999 Community Budget, entitled "European Community Finances". This White Paper is the nineteenth in the series. As in the past, it covers annual budgetary matters and includes details of recent developments in European Community financial management and in countering fraud against the Community Budget. It also describes the Community Budget for 1999 as adopted by the European Parliament, and the United Kingdom's gross and net contributions to the Community Budget between 1996 and 1999.

I have placed copies of the White Paper in both Libraries of the House.

Bank Accounts

Mr. O'Hara: To ask the Chancellor of the Exchequer if he will publish the most recent figures showing how many people hold current bank accounts in each of the regions covered by the new regional development agencies in the age ranges (i) 0 to 8, (ii) 18 to 24, (iii) 25 to 50, (iv) 50 to 65, (v) 65 to 85 and (vi) 85 years and over. [88650]

Angela Eagle: I have been asked to reply.

The information is not available in the format requested. Such information as is available is in the table.

Individuals holding a current bank account by regional development agency and age

Thousand

	Regional Development Agency								
Age of individual	*North East*	*North West and Merseyside*	*Yorkshire and aHumber*	*East Midlands*	*West Midlands*	*Eastern Region*	*London*	*South East*	*South West*
18–24	190	420	270	300	320	370	410	530	260
25–49	840	1,970	1,410	1,270	1,490	1,760	2,330	2,400	1,470
50–64	420	1,030	700	710	770	920	860	1,300	850
65+	260	690	490	370	430	620	650	850	670

Notes:
1. Data are not provided for the under 18 age group as information on children holding current bank accounts is not available. Samples sizes for the highest age group are also too small to support reliable estimates of the statistics in question. Other age ranges provided in the tables do not exactly match those requested as these had missing ranges and overlapping boundaries. Therefore, age ranges which are as close as possible to those requested have been used.
2. The estimates are based on sample counts that have been adjusted for non-response using multi-purpose grossing factors that control for region, Council Tax Band and a number of demographic variables. Estimates are subject to sampling error and to variability in non-response.
3. All figures are provided in thousands and have been rounded to the nearest ten thousand.

Source:
1997–98 Family Resources Survey (Great Britain)

Overpaid Tax

Mr. Burstow: To ask the Chancellor of the Exchequer what plans his Department has to ensure that older people are aware of their right to claim back overpaid tax. [89146]

Dawn Primarolo: The Government are considering running a Taxback campaign in the year 2000. The aim of this would be to stimulate free media publicity and to encourage people, including the elderly, who had overpaid tax on their bank and building society interest to claim it back.

Mr. Burstow: To ask the Chancellor of the Exchequer what is his Department's estimate of the total amount of overpaid tax by older people on their income from savings. [89147]

Dawn Primarolo: No information on which to base an estimate is available from Inland Revenue's records. Tax offices will generally be aware of cases where tax has been overpaid only when tax returns are sent in, or when claims are made for the repayment of tax deducted at source.

AGRICULTURE, FISHERIES AND FOOD

Meat Hygiene Service

Mr. Paterson: To ask the Minister of Agriculture, Fisheries and Food if he will establish an expert multi-disciplinary audit of the Meat Hygiene Service independent of the Joint Food Safety and Standards Group. [88286]

Mr. Rooker: The work of the Meat Hygiene Service is scrutinised by NAO, the Audit Consultancy and Management Services Division of MAFF, operational audits by the State Veterinary Service, the Intervention Board as well as by auditors of the Joint Food Standards and Safety Group.

Mr. Paterson: To ask the Minister of Agriculture, Fisheries and Food what plans his Department has to ensure that the performance of the Meat Hygiene Service is independently monitored. [88279]

Mr. Rooker: The Meat Hygiene Service's performance targets are set by the Minister and monitored independently by the Audit Consultancy and Management Services Division of MAFF. Information on the Meat Hygiene Service's performance in key areas is made widely available in the monthly publications "Meat Hygiene Enforcement Report" and "BSE Enforcement Bulletin".

Mr. Paterson: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the current arrangements for auditing the performance of the Meat Hygiene Service. [88396]

Mr. Rooker: Audits of the operational performance of the Meat Hygiene Service are carried out by Veterinary Meat Hygiene Advisors of the Joint Food Standards and Safety Group. The auditors visit a selection of licensed premises to assess MHS compliance with the procedures

and practices set out in the MHS Operations Manual and a report is published annually. This year the audit manual has been revised and changes made to report formats and the categorisation of findings.

The annual performance targets of the MHS are monitored independently by the Audit Consultancy and Management services Division of MAFF. I am fully satisfied with these arrangements.

Mr. Paterson: To ask the Minister of Agriculture, Fisheries and Food what criteria are used by veterinary officers of the Joint Food Safety and Standards Group during their routine audits of Meat Hygiene Service performance to assess the competence and performance of official veterinary surgeons. [88283]

Mr. Rooker: The audit staff of the Joint Food Safety and Standards Group assess the performance of official veterinary surgeons of the MHS against the procedures contained in the MHS Operations Manual.

Critical Control Points

Mr. Paterson: To ask the Minister of Agriculture, Fisheries and Food what is the definition of the term critical control point used in the hazard analysis and critical control points system; and how many critical control points there should be in *(a)* a typical slaughterhouse, *(b)* a red meat cutting plant and *(c)* a poultry processing plant operation; and at what stages in each operation. [88289]

Mr. Rooker: A critical control point is a step at which control can be applied and is essential to prevent or eliminate a food safety hazard or reduce it to an acceptable level.

Every food operation is unique and it is for each operator to apply the hazard analysis and critical control point system and determine critical control points appropriate to the business. The Government/Industry Working Group on Meat Hygiene's Forward Programmes provide some generic examples of critical control points relevant to the red and white meat industry.

EU Food and Veterinary Office

Mr. Paterson: To ask the Minister of Agriculture, Fisheries and Food (1) if staffing of the European Union Food and Veterinary Office is allocated on the basis of national quotas; [88295]

(2) how many professional grade officials are employed by the European Union Food and Veterinary Office; and how many are *(a)* United Kingdom citizens, *(b)* qualified veterinarians and *(c)* qualified environmental health officers. [88221]

Mr. Rooker: This is a matter for the European Commission.

Mr. Paterson: To ask the Minister of Agriculture, Fisheries and Food what representations *(a)* he and *(b)* his officials have made to the European Union Commission as to the composition of the EU Food and Veterinary Office. [88287]

Mr. Rooker: None.

Wild Boar

Sir Geoffrey JohnsonSmith: To ask the Minister of Agriculture, Fisheries and Food if he will introduce measures to protect the health status of the pig herd from the potential threat of colonies of free-living wild boar. [87958]

Mr. Rooker: We are considering options for an animal health risk assessment of wild boar. This will examine the potential for disease transmission or other interactions between wild boar and livestock and will help us consider whether action needs to be taken to limit or eradicate the population of wild boar.

Genetic Modification

Mr. Chope: To ask the Minister of Agriculture, Fisheries and Food if he will amend his Department's Fact Sheet issued in June 1999 on genetic modification of crops and food to incorporate the recommendations of the Chief Medical officer and the Chief Scientific Advisor on population health surveillance. [89056]

Mr. Rooker: Yes. The fact sheet has already been up-dated.

Written Answers to Questions

Thursday 1 July 1999

TRADE AND INDUSTRY

Climate Change Levy

Mr. Pearson: To ask the Secretary of State for Trade and Industry what estimate he has made of *(a)* the cost of the climate change levy to his Department and *(b)* the savings from the reduction in national insurance contributions that will occur when it is introduced. [88864]

Mr. Battle: The net impact of the climate change levy and the associated reduction in main rate of employers' National Insurance Contributions on the Department of Trade and Industry will depend on the rates of the climate change levy. The final rates of climate change levy will not be set until Finance Bill 2000.

In addition, the Government are still considering a number of detailed issues on the tax treatment of different energy products which could have a significant impact in some instances. It is, therefore, not possible to give definitive figures about the impact of the climate change levy on this Department.

Rover

Mrs. Browning: To ask the Secretary of State for Trade and Industry if he will list the criteria under which Government investment in Rover will be expected to meet best value. [88502]

Mr. Byers *[holding answer 28 June 1999]:* The Regional Selective Assistance (RSA) scheme from which the majority of the aid will be funded (£129 million) rigorously assesses the economic probity of aid and the ability of the potential investment to deliver value for money. In the Rover case the factors taken into account included:

Winning a significant investment of over £1 billion for the UK;

safeguarding of many tens of thousands of jobs both at Rover and in the region as a whole;

Maintenance of Rover/Land Rover and their full R&D capability as an operational entity in the UK;

enhancement of the UK's position in the global automotive market;

and raising the skills and productivity levels within Rover and its suppliers.

Internal Market Council

Helen Jones: To ask the Secretary of State for Trade and Industry what was the outcome of the Internal Market Council held in Luxembourg on 21 June. [89805]

Mr. Byers: My noble Friend the Minister for Trade and Competitiveness in Europe represented the UK at the Internal Market Council in Luxembourg on 21 June.

The Commission introduced an open debate on the future direction of the single market. There was general agreement on the need to define strategic objectives against which the development of the single market could be monitored and on the priority areas for action (including public procurement, electronic commerce and mutual recognition). The Scoreboard was confirmed as a tool for monitoring progress; the latest version showed that the deficit in the transposition of directives was being reduced.

The Commission reported on the progress of SLIM IV (Simpler Legislation in the Internal Market), the review of the SLIM initiative and the prospects for SLIM V. The Netherlands introduced a joint paper from the Netherlands, Denmark and the UK and there was agreement from other member states that there was a need for improvements to help realise the potential of SLIM.

The Council reached political agreement on the Orphan Drugs Regulation (which provides incentives for the development of drugs for the treatment of rare diseases) and Customs 2000, and agreed Conclusions on Tourism and Employment. With the exception of a Spanish Gibraltar-related reservation on the designation of competent authorities, there was unanimous political agreement on the substance of the Takeovers Directive, which included the text that the Government had sought dealing with the issue of litigation. There was no agreement on the new chocolate directive, despite a qualified majority in favour of the Presidency's compromise, because of Commission objections to the proposed comitology provisions.

The Commission introduced Communications on the Environment and the Internal Market and on Mutual Recognition. There was a brief debate on international exhaustion of trademark rights following a Commission presentation. The Council took note of progress reports on Standardisation; the Copyright and related rights in the Information Society Directive; the Electronic Commerce Directive; and the Commission's oral report on Counterfeiting and Piracy. The Council took note of a progress report on the reform of Customs Transit Systems and adopted a Resolution. The Commission announced the imminent publication of an amended proposal on Community Design.

Ministers discussed the Artists' Resale Right Directive. The Council agreed to give more time to discussions in order to find a solution to the remaining difficulties some member states have with the proposed directive.

Aerospace Industry

Mr. Gordon Prentice: To ask the Secretary of State for Trade and Industry what discussions he has had with the aerospace industry concerning research into new technologies; and if he will make a statement. [89537]

Mr. Battle: I am aware of the importance of technology to the aerospace industry and saw many examples of high-technology products on the stands of UK companies during my recent visit to the Paris Air Show. Under the Department's Civil Aircraft Research and Technology Demonstration (CARAD) Programme, DTI officials maintain a close dialogue with the industry in various fora about research into aeronautics technologies.

CULTURE, MEDIA AND SPORT

Tourism

Mr. Nigel Jones: To ask the Secretary of State for Culture, Media and Sport if he will assess the advantages and disadvantages to the British tourism industry of reducing the rate of VAT on *(a)* hotel rooms, *(b)* restaurants and *(c)* other tourist attractions. [88792]

Janet Anderson: I have no plans to assess areas of tax policy that are the responsibility of my right hon. Friend the Chancellor of the Exchequer. I understand the industry has submitted views on this matter, which are being considered.

Historic Public Buildings

Ms Walley: To ask the Secretary of State for Culture, Media and Sport what research his Department has commissioned on the condition of historic public buildings in urban parks. [88902]

Mr. Alan Howarth: Neither my Department nor the Department of the Environment, Transport and the Regions have commissioned any such research. English Heritage's buildings at risk register contains information on all the grade I and II* listed buildings known to them to be 'at risk' through neglect and decay or vulnerable to becoming so.

Ms Walley: To ask the Secretary of State for Culture, Media and Sport what plans he has to *(a)* discuss the protection of non-listed historic public buildings in urban parks with local authorities and *(b)* publish guidance on the conservation of non-listed historic public buildings in urban parks. [88903]

Mr. Alan Howarth: Neither my Department, nor the Department of the Environment, Transport and the Regions has any such plans at present. Unlisted buildings in urban parks are in some cases likely to be covered by conservation area controls, guidance on which is included in Planning Policy Guidance Note 15: Planning and the Historic Environment.

Royal Parks Agency

Mr. Leslie: To ask the Secretary of State for Culture, Media and Sport if he intends to undertake a review of the Royal Parks Agency. [89802]

Mr. Alan Howarth: The Royal Parks Agency (RPA) was established on 1 April 1993 as an Executive Agency of my Department with responsibility for managing and policing the Royal Parks in London and some other related areas.

I have today announced the start of our review of the Agency, which was postponed during the completion of the Comprehensive Spending Review. This will include an evaluation of its performance since launch and a review of the options for the best management of its functions. We aim to complete the review by the end of November 1999. A copy of the announcement has been placed in the Libraries of the House.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Thameslink 2000

Jane Griffiths: To ask the Secretary of State for the Environment, Transport and the Regions if he will give an estimated completion date for the Thameslink 2000 scheme; and what the implications are for the Crossrail project. [88738]

Ms Glenda Jackson: The current estimate for the start of Thameslink 2000 services is May 2006. There is nothing planned within the scope of the scheme which would prevent the introduction of the Crossrail project.

London Underground

Mr. Randall: To ask the Secretary of State for the Environment, Transport and the Regions what the current estimate is of the legal costs incurred to date by London Transport in the case of Mr. P. Marlow *v* London Underground Ltd. and the associated counter-claim. [88598]

Ms Glenda Jackson: London Underground Ltd. has incurred legal fees amounting to £15,000 to date in defending proceedings commenced by Mr. Marlow and in pursuing a counterclaim against him.

Mr. Sheerman: To ask the Secretary of State for the Environment, Transport and the Regions what measures he is taking to alleviate problems caused by the closure of the Circle Line. [88445]

Ms Glenda Jackson: My right hon. Friend the Minister for Transport and I met the managing director of London Underground (LU) last week. He satisfied us that LU are operating additional services on the Hammersmith & City and Metropolitan Lines, along part of the route where Circle Line services usually run, and a normal District Line service along most of the rest of the Circle Line. All stations remain open. Additional buses are also running on routes 16, 23 and 52. Underground tickets and passes are valid on these buses. We have asked him to inform us immediately if this should change.

Genetically Modified Organisms

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the potential for genetically modified terminator genes in plants to escape into the environment; and if he will make a statement. [88638]

Mr. Meacher *[holding answer 29 June 1999]:* Although 'terminator gene' technology has been patented in the United States of America, it has not been introduced into any crops. The Advisory Committee on Releases to the Environment is to set up a sub-group to advise on best practice in developing genetically modified plants. The sub group's work will include consideration of the environmental impact of 'terminator genes' and similar approaches. The sub group's findings will be published.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he supported the call by the Greek Government at the meeting of the EU Environment Council on 24 June for a temporary ban

on new varieties of genetically modified crops and seeds pending the completion of the review of EU Directive 90/220; and if he will make a statement. [88875]

Mr. Meacher *[holding answer 29 June 1999]:* The UK Government did not support the call for suspension of releases pending the completion of the amendment to Directive 90–220 during the Luxembourg Environment Council. The UK and a number of other Member States were sceptical of the legal justification for such a moratorium and considered that rapid and effective revision of the current Directive should be the top priority in the negotiations.

The common position agreed in Luxembourg strengthens the existing Directive in a wide range of areas such as risk assessment and monitoring. Moreover, the safeguard clause will continue to apply, allowing Member States to take immediate action to suspend a release should evidence of harm emerge.

During the Environment Council, the Council Legal Service confirmed that a moratorium suspending application of the existing Directive would not be possible. This position was supported by the Commission. The Council Legal Service outlined some limited scope offered by Article 95 (5) of the Amsterdam Treaty which enabled Member States to derogate from harmonised legislation where specific environmental problems emerge. However, the UK took the view that agreement on strict new provisions for the amendment of Directive 90–220 should take priority over a moratorium of doubtful legality.

Asbestos

Mr. Clapham: To ask the Secretary of State for the Environment, Transport and the Regions when he expects the European Commission to ratify the decision of the Technical Committee to allow member states which have not already done so to impose restrictions on the importation of white asbestos and products that contain the material; and if he will make a statement. [89053]

Mr. Meacher *[holding answer 29 June 1999]:* The Government are determined to apply further necessary restrictions to the importation, marketing and use of white asbestos. I have received advice from the Health and Safety Commission about those new restrictions in the form of draft regulations. I will act on that advice as soon as the European Commission has ratified the vote of their technical committee to adapt to technical progress Council Directive 76/769/EEC. I am hopeful that this ratification will not be subject to any unnecessary delay. The UK continues to encourage the European Commission to act swiftly on this vitally important measure.

Car Parking Fines

Mr. Woolas: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the average amount of revenue to be raised by local authorities for 1999–2000 from car parking fines. [89644]

Ms Glenda Jackson: Information on local authority parking revenue from penalty charge notices and excess charge notices is not held centrally.

Council Tax

Ms Dari Taylor: To ask the Secretary of State for the Environment, Transport and the Regions if he has met the 12 local authorities he called in to discuss their increases in budget requirement and council tax; and if he will make a statement. [89803]

Ms Armstrong: On 13 April the Secretary of State for the Environment, Transport and the Regions announced his decision not to cap any authorities. However, he decided to call in twelve authorities with the largest increases in budget requirement and council tax to put them on warning for next year.

I have now met the representatives of these twelve authorities. The meetings have been constructive. We discussed why the authorities had made such large increases and I explained that when we look at the budgets for 2000–01 we will be able to take this year's increase into account. Most of the authorities have told us that they do not expect to make such large increases next year.

However, it is not only these authorities that will need to consider next year's increase carefully. All authorities should remember that, under the new reserve powers, the Government will be able to look back at increases over two years.

Vehicle Number Plates

Ms Dari Taylor: To ask the Secretary of State for the Environment, Transport and the Regions if he has any proposals for new regulations relating to vehicle number plates. [89804]

Ms Glenda Jackson: The Department expects to publish draft regulations relating to the display of vehicle number plates in the near future. We will consult widely on the proposals before any new regulations are made.

HOUSE OF COMMONS

Sitting Hours

Lorna Fitzsimons: To ask the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), representing the House of Commons Commission, what services of the House are required to be available when the House is sitting on Tuesdays from 7 p.m. to 10 p.m.; and how much could be saved if the House rose at 7 p.m. [88669]

Mr. Kirkwood: Most main facilities for Members are available whenever the House is sitting. It is not possible to quantify, in any meaningful way, savings for the hours indicated by the hon. Lady.

Braithwaite Report

Lorna Fitzsimons: To ask the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), representing the House of Commons Commission, when the House of Commons Commission is due to make a decision on the Braithwaite report; and how the report will be placed in the public domain. [88667]

Mr. Kirkwood: The Commission has received the Braithwaite report which it is now considering.

Portcullis House

Sir Sydney Chapman: To ask the hon. Member for Roxburgh and Berwickshire, representing the House of Commons Commission, what assessment the Commission has received of the Portcullis House project; and if he will make a statement. [89516]

Mr. Kirkwood: In February the House of Commons Commission appointed Messrs Northcroft, Chartered Quantity Surveyors and Construction Consultants, to undertake a mid-term review of the Portcullis House project, including an analysis of changes in the cost; to consider whether the current cost estimate and timetable are realistic and whether there is a case for modifying any aspects of the project to reduce costs and improve value for money; and to provide any comparisons with other comparable buildings.

The report has now been received. Its key conclusion is that, when account is taken of the quality, the long lifespan of the building and other relevant factors, the building provides value for money for the House. Other main findings are that:

the project will be delivered within the budget and programme;

the project under construction closely reflects the scheme approved by the House in May 1993; and

the team is totally committed to delivering the approved scheme.

While the report acknowledges that the cost of the project is high, it records that account has to be taken of the particular reasons and the quality of the building.

The report contains a number of detailed recommendations that Northcroft believe will help assure delivery within the programme and budget. These will now be considered and implemented as appropriate.

The Executive Summary of the report is available in the Vote Office. The full text of the Report has been deposited in the Library.

Good progress has continued to be made since the fieldwork for the report was undertaken in January and February, reinforcing the views of the consultants about the programme and budget. There is now every prospect of the work being completed three or four weeks in advance of the current programme and of the final cost being some £15 million below budget. The project team will explore opportunities for further improvements while they continue to strive to achieve a high quality building.

House of Lords

Mr. Mackinlay: To ask the President of the Council what proposals she has for the composition of the electoral college for cross-bench peers in the Interim House of Lords; and if she will make a statement. [89194]

Mrs. Beckett: The Government will establish an independent Appointments Commission to nominate cross-bench peers to the transitional House of Lords. We set out our proposals for membership of the Commission in our White Paper, "Modernising Parliament Reforming the House of Lords". The Commission will be an advisory non-departmental public body consisting of representatives of the three main political parties and a majority of independent figures, one of whom will be the Chairman. The party political representatives will be nominated by party leaders, and the independent members will be appointed in accordance with the rules of the Commissioner for Public Appointments.

FOREIGN AND COMMONWEALTH AFFAIRS

British Consulate, Skopje

Dr. Cable: To ask the Secretary of State for Foreign and Commonwealth Affairs what reports he has received about the handling of visa applications at the British Consulate in Skopje; and if he will make a statement. [86841]

Mr. Hoon: My right hon. Friend the Foreign Secretary has given a commitment that the Embassy will begin issuing visas as soon as it is practicable for it to do so. We are looking at options for larger premises, to enable us to provide a full visa service. As regards the processing in Skopje of applications from Kosovar refugees, I refer the hon. Member to the statement in the House on 5 May 1999 by my right hon. Friend the Home Secretary, *Official Report*, columns 443–44, in which he outlined the arrangements being made under UNHCR auspices.

My noble Friend the Baroness Symons of Vernham Dean will be replying separately to the hon. Member's letter of 8 June about a specific case in which he has an interest.

Parliamentary Questions

Mr. Brady: To ask the Secretary of State for Foreign and Commonwealth Affairs how many parliamentary questions have been tabled to his Department for written answer on a named day since 15 April; and what percentage of them received a substantive response on that day. [87319]

Mr. Tony Lloyd: Between 15 April and 22 June, 107 parliamentary questions have been tabled to the Department for written answer on a named day; 66 per cent. received a substantive reply on that day.

Stability Pact

Mr. Mitchell: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 18 June 1999, *Official Report*, column *255*, relating to the publication of the Stability Pact for South East Europe, on which treaty article it is based; if it requires further European Union legislation for its operation; and what is the basis of the term pact being introduced into the affairs of the European Union and Community. [88682]

Mr. Tony Lloyd: The EU agreed a Common Position on 17 May, the legal basis of which is article 15 of the Treaty on European Union, setting out the general objectives for the Stability Pact initiative. The Stability Pact for South East Europe, approved by the participants' Foreign Ministers on 10 June, is not itself a legal instrument of the European Union, although the European Union will play the leading role within the initiative. In the light of this, there may be a requirement for a Joint Action to meet future operational costs. There is no generic basis for the use within the EU of the term pact.

Gough Island

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs what are the Government's current arrangements for monitoring fishing in the marine area around Gough Island which forms part of the Wildlife Reserve; and what arrangements he makes for the conservation according to World Heritage Values. [87488]

Mr. Tony Lloyd *[holding answer 29 June 1999]:* A fisheries patrol vessel, based on the island of Tristan Da Cunha, was provided to Tristan Da Cunha by the British Government in 1996. It is based on the island of Tristan Da Cunha and does not have the range to patrol Gough Island coastal waters. The only vessels that monitor fishing in the area around Gough Island are those of the Tristan lobster fishing concessionaire, Premier Fishing. All Premier Fishing vessels carry a Tristanian Government observer when fishing in the waters of the Tristan Da Cunha group. Each observer is also a designated conservation officer under the terms of the Tristan Da Cunha Conservation Ordinance 1976.

Gough Island was declared a World Heritage Site in 1995. The area covered by this designation includes the island itself and the marine area out to three nautical miles. Gough Island has a strict Wildlife Management Plan in place. An Environmental Inspector is annually appointed and sent to the Island to ensure that the Plan is being adhered to, and to make recommendations for improvements to it.

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs on what dates during the past 12 months a fisheries patrol vessel has been operating within three nautical miles of Gough Island for the purpose of monitoring fisheries; and what reports it has furnished to HMG. [87489]

Mr. Tony Lloyd *[holding answer 29 June 1999]:* No fisheries patrol vessel has operated within three nautical miles of Gough Island for the purpose of monitoring fisheries in the past twelve months.

Wideawake Airfield, Ascension Island

Mr. Baker: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will require the United States Government to pay commercial rates for any use of Wideawake Airfield on Ascension Island for civil charter flights. [88635]

Mr. Tony Lloyd *[holding answer 29 June 1999]:* We currently have no plans to charge the United States for the use of Wideawake Airfield on Ascension Island.

SOCIAL SECURITY

War Pensions Agency

Mr. Truswell: To ask the Secretary of State for Social Security how many appeals against decisions of the War Pensions Agency have been *(a)* submitted and *(b)* successful in each of the last five years for which figures are available. [88223]

Mr. Bayley: Information is not available in the format requested. Such information as is available is in the table.

Year	*Assessment*	*Entitlement*
Number of appeals lodged		
1995–96	4,920	3,064
1996–97	5,282	3,883
1997–98	4,694	3,336
1998–99	1,440	1,189
Successful appeals cleared by pensions appeal tribunals [1]		
1995–96	722	1,388
1996–97	947	1,997
1997–98	1,251	1,373
1998–99	983	1,179

[1] The second part of the table relates solely to successful claims cleared by the Pensions Appeals Tribunals. Due to the time taken to process appeals, they are not necessarily decided in the same year as that in which they are lodged. Figures of appeals lodged and decided in a particular year do not therefore necessarily relate to the same appeal.

Note:

War Pensions appeals fall into 2 broad categories:

Entitlement—Those where the issue is whether the claimed disablement or death is related to service in HM Forces.

Assessment—Those where the issue is the degree of disablement which is due to service. The higher the degree of disablement, the higher the rate of war disablement pensions awarded.

Incapacity Benefit (ME)

Mr. Gorrie: To ask the Secretary of State for Social Security if he will arrange for figures to be provided in future for the numbers of people who suffer from myalgic encephalomyelitis as a separate category when collecting statistics on benefits. [88594]

Mr. Bayley: Although individual diagnosis codes are available, they are not shown in the quarterly publication. There are in the region of a thousand different codes, therefore only "group headings" are shown. There are no plans to include individual codes within the quarterly publication.

The latest figures held show that at 30 November 1998 there were 16,000 claimants of Incapacity Benefit where the diagnosis was shown as Myalgic Encephalomyelitis, Chronic Fatigue Syndrome or Post Viral Fatigue Syndrome.

Myalgic Encephalomyelitis falls into the group Diseases of the Nervous System (G00-G99) category.

Notes:

1. The figure is taken from a 5 per cent. scan of the benefit computer system, and excludes a small number of cases held clerically.

2. Diagnosis codes are taken from the International Classification of Diseases, tenth edition.

Housing Benefit

Mr. Campbell-Savours: To ask the Secretary of State for Social Security what was the cost to Housing Benefit relating to *(a)* Local Authority rents, *(b)* Housing Association rents and *(c)* private sector rents for the last year for which statistics are available. [88819]

Angela Eagle: The information requested is in the table.

Housing Benefit expenditure in Great Britain: 1997–98

	£ million, cash
Local Authority tenants	5,493
Registered Social Landlord tenants (previously Housing Association tenants)	2,211
Private Rented Sector tenants	3,480
Total Housing Benefit	11,184

Note:
'Rents' have been interpreted as referring to 'tenants'
Source:
1997–98 Housing Benefit Subsidy claim forms from Local Authorities, together with information from the Housing Benefit and Council Tax Benefit Management Information System one per cent. samples for May 1997 and May 1998. The figures vary slightly from those in the Departmental Report because more recent Local Authorities' data have been incorporated in these figures.

Child Support Agency

Mr. Clapham: To ask the Secretary of State for Social Security (1) how many cases the CSA is currently dealing with and how many were wrongly assessed in the last year for which figures are available; [89052]

(2) how much *(a)* compensation has been paid to clients and *(b)* arrears have been removed from clients' cases by the CSA, for excessive delay in processing cases (i) since its establishment and (ii) in the last year for which figures are available. [89051]

Angela Eagle: The administration of the Child Support Agency is a matter for the Chief Executive, Mrs. Faith Boardman. She will write to my hon. Friend shortly.

Letter from Faith Boardman to Mr. Michael Clapham, dated 30 June 1999:

I am replying to your Parliamentary Questions to the Secretary of State for Social Security about the Child Support Agency.

At the end of 1998/99 year the Agency was dealing with 923,960 live and assessed cases.

One of the targets that the Secretary of State set the Agency for 1998/99 was that the cash value of all assessments checked throughout the full year was to be correct in at least 75% of cases. The Agency exceeded this target, with the cash value of 77% of the assessments checked being correct to the last penny.

In April 1995 a scheme was introduced to encourage future compliance by non-resident parents in certain cases by deferring arrears which had accrued due to processing delays by the Agency. Provided the non-resident parent complies with the maintenance assessment for 52 weeks, he is only held liable for the latest six months of the arrears. Where the parent with care suffers financial loss as a result of this arrangement the balance is paid by the Agency as compensation.

In April 1997 the Agency began to clear the backlog of approximately 495,000 cases that had been awaiting assessment for over 52 weeks, and are eligible for the scheme. That backlog has now been reduced to about 47,000 at 31 March 1999—324,859 were cleared during 1998/99.

From the commencement of the scheme until the end of the March 1999 a total of £2,180K has been paid as compensation to parents with care, with £1,297K being paid in the 1998/99 year.

Non-resident parents have had a total of £18.32M of their arrears deferred under this scheme, with £6.6M being deferred in the 1998/99 year.

The figures provided for the 1998/99 year are indicative amounts and have yet to be audited and agreed by the National Audit Office. They may, therefore, be subject to change.

The Agency's Annual Report and Accounts 1998/99 is due to be published next month and I will arrange to send you a copy shortly after issue.

I hope that you find this reply helpful.

Benefit Recipients

Ms Roseanna Cunningham: To ask the Secretary of State for Social Security if he will list the benefits for which he is able to provide regional and national breakdowns of number of recipients. [89076]

Angela Eagle: The benefits for which a regional and national breakdown of the numbers of recipients can be provided are as follows. These are included in the annual Social Security Statistics publication.

Incapacity Benefit (IB)
Severe Disablement Allowance (SDA)
Maternity Allowance (MA)
Industrial Injuries Disablement Benefit (IIDB)
Reduced Earnings Allowance/Retirement Allowance (REA/RA)
Attendance Allowance (AA)
Disability Living Allowance (DLA)
Income Support (IS)
Family Credit (FC)
Disability Working Allowance (DWA)
Jobseeker's Allowance (Income Based) (JSA (IB))
Jobseeker's Allowance (Contribution Based) (JSA(CB))
Housing Benefit (HB)
Council Tax Benefit (CTB)
Child Support Allowance (CSA).

A regional breakdown cannot be provided for the following benefits, but can be supplied at a national level.

Retirement Pension (RP)
Widows Benefit (WB).

EDUCATION AND EMPLOYMENT

Research Grants

Mr. Sawford: To ask the Secretary of State for Education and Employment how much was awarded *(a)* in total and *(b)* to each higher education establishment in the form of research grants in each year since 1995. [88830]

Mr. Mudie: The Higher Education Statistics Agency annual volume "Resources of Higher Education Institutions" contains the data requested. The relevant volumes are already available in the Library.

New Deal

Mr. David Marshall: To ask the Secretary of State for Education and Employment how many *(a)* men and *(b)* women have been sanctioned under the New Deal to date (i) in each of the New Deal geographical units of delivery, (ii) for the gateway and (iii) for each of the four options. [89021]

Mr. Andrew Smith: The following table shows the stage in New Deal when sanctions have been applied to participants, split by Employment Service region and gender, up to the end of May 1999.

ES region	Male Reason for sanction Gateway	Option	Other	Female Reason for sanction Gateway	Option	Other	Total
OS	242	567	162	40	77	42	1,130
NOR	464	685	203	73	89	38	1,552
NW	328	704	617	66	127	141	1,983
YHU	522	596	441	92	122	108	1,881
OW	201	209	103	46	35	21	615
WMI	369	400	323	70	84	94	1,340
EME	361	292	232	56	64	51	1,056
SW	155	190	126	24	38	27	560
LSE	465	564	628	84	125	203	2,069
GB	3,107	4,207	2,835	551	761	725	12,186

A breakdown of the reasons for sanctions are: Gateway, those sanctioned for failure to attend an adviser interview; Options, those sanctioned for refusal, failure to attend or misconduct on any of the New Deal Options; Other, those New Deal participants sanctioned or disallowed for any other reason.

Primary School Pupils

Mr. Todd: To ask the Secretary of State for Education and Employment, pursuant to his answer of 16 April 1999, *Official Report*, column *381*, if he will list the money spent per primary age pupil *(a)* from local education authorities, *(b)* from central Government and *(c)* in total (i) in 1996–97, (ii) in 1997–98 and (iii) in 1998–99 for each local education authority ranked in descending order of total spend in 1998–99. [89113]

Ms Estelle Morris: In my reply to my hon. Friend's earlier question to which he refers, I explained that information for 1998–99 in the form in which it was requested was not yet available, and the situation is unchanged. I will write to my hon. Friend when the figures he requests are available, and a copy of my letter will be placed in the Library.

Grammar Schools

Sir Teddy Taylor: To ask the Secretary of State for Education and Employment how many local referenda are being held to establish public opinion on the future of grammar schools; and if he will publish a list showing the dates of the referenda and the areas involved. [88946]

Ms Estelle Morris *[holding answer 29 June 1999]:* No referenda are being held at the moment. It is a matter for local parents to decide whether or not they want any such ballots in the future.

School Premises (Community Use)

Mr. Blizzard: To ask the Secretary of State for Education and Employment what steps he is taking to encourage greater use of school premises by the community out of school hours. [89341]

Ms Estelle Morris: The Department will be publishing guidance later this year on developing school—community links—including the use of premises. The 'Schools Plus Team' is following up the Social Exclusion Unit's report 'Bringing Britain Together' and is considering how schools can make their facilities available to more people.

Beacon Schools

Mr. Gordon Prentice: To ask the Secretary of State for Education and Employment if schools rejected for Beacon Status are given reasons for the rejection. [89283]

Ms Estelle Morris: The procedure for selecting Beacon schools is completely open and details are published on the DfEE website. Any school rejected for Beacon Status is given an explanation.

School Admissions

Mr. Gordon Prentice: To ask the Secretary of State for Education and Employment what assessment he has made of the effect on school admissions of the practice of posting OFSTED reports on the Internet; and if he will make a statement. [89284]

Ms Estelle Morris: No assessment has yet been made. We are commissioning research into parents' experience of recent changes in legislation on school admissions and the information that parents use when deciding the type and place of education for their child. We expect to have results from this research in approximately 18 months to two years.

Shire Authorities (Expenditure)

Mr. McLoughlin: To ask the Secretary of State for Education and Employment if he will list the percentage of total spending devoted to education for each shire authority; and how much extra each would have to spend in order to spend as much on education as the present highest one for the latest year for which figures are available. [89286]

Ms Estelle Morris: Information for the financial year 1999–2000 is in the process of preparation and is expected to be completed shortly. I will write to the hon. Member when the figures he requests are available, and a copy of my letter will be placed in the Library.

DEFENCE

Territorial Army

Mrs. Gilroy: To ask the Secretary of State for Defence if he will make a statement on administrative support to the Territorial Army following the recent reforms. [89847]

Mr. Doug Henderson: Following the announcement made by my right hon. Friend, the Secretary of State for Defence on the restructuring of the TA in November 1998

detailed work has been carried out to establish the level of administrative support required by the reformed TA. As it is our intention to make the TA more relevant, more usable and more fully integrated into the regular armed forces, we have concluded that the level of administrative support needs to be tailored to the readiness of the unit involved. Accordingly, the overall level of administrative support staff is being reduced broadly in line with the reduction in TA personnel and some units will receive an increased level of support. Altogether this will mean that there will be a net loss of some 600 civilian jobs nationally. MOD Trades Unions have been fully consulted about the implications for civilian staff and have raised a number of concerns, which are being addressed. My officials will now be working closely with the Trades Unions to ensure that the process of implementing the new TA structure is handled as sensitively as possible.

Depleted Uranium Weapons

Mr. Corbyn: To ask the Secretary of State for Defence what is the total stock of depleted uranium weaponry held by the UK. [88889]

Mr. George Robertson: I am withholding the detailed information under exemption 1a of the Code of Practice on Access to Government Information relating to defence, security and international relations. Depleted uranium-based ammunition is used because it offers better performance than other alternatives and, therefore, gives our Armed Forces greater operational capability.

Mr. Corbyn: To ask the Secretary of State for Defence how many depleted uranium weapons are held by British forces based in Albania, Macedonia and Kosovo. [88963]

Mr. George Robertson: I am withholding this information under exemption 1 of the Code of Practice to Government Information relating to defence, security and international relations.

Mr. Cotter: To ask the Secretary of State for Defence if he will estimate how much depleted uranium was dropped on *(a)* Kosovo and *(b)* Serbia in the course of recent NATO action. [89067]

Mr. George Robertson: The UK did not use depleted uranium (DU) ammunition during the air campaign over Kosovo and Serbia. The United States is the only member of the Alliance to have said that it used DU ammunition. I am not in a position to estimate the amount used.

ATTORNEY-GENERAL

CPS/Police Collaboration

30. **Fiona Mactaggart:** To ask the Attorney-General what progress he has made on improving collaboration between the Crown Prosecution Service and area police forces in order to reduce delays before cases are brought to court. [87909]

The Attorney-General: Measures designed to bring cases to court within a few days of charge, including provisions in the Crime and Disorder Act 1998 and the location of CPS staff at police stations, have been tested at six pilot sites. Initial indications are that the pilots have worked well and, subject to a satisfactory evaluation, the measures will be implemented in the rest of England and Wales in November 1999. Moreover, most CPS Areas and police forces now operate fast-tracking arrangements for a range of casework. Fast-tracking has greatly reduced the time from charge to first appearance, from four or five weeks to a matter of days.

Racial Hatred Prosecutions

31. **Mr. Gapes:** To ask the Attorney-General pursuant to his answer of 20 May 1999, *Official Report*, column *433*, on prosecutions for racial hatred, how many referrals were made to him by the Director of Public Prosecutions for consideration as to whether to prosecute for incitement to racial hatred in each year since 1995. [87910]

The Solicitor-General: Since 1995 the Director of Public Prosecutions has referred 36 cases which involved allegations of offences under Part III of the Public Order Act 1986 to my office. In 31 cases consent to prosecution was given, in three cases consent was not granted; and the Director withdrew the application for consent in the remaining two cases.

Crown Prosecution Service

32. **Mr. Ben Chapman:** To ask the Attorney-General if he will make a statement on the implementation of the restructuring of the Crown Prosecution Service areas. [87911]

The Attorney-General: The new structure of 42 Crown Prosecution Service Areas was implemented in April 1999 when the newly appointed 42 Chief Crown Prosecutors took up their posts. On 28 June 1999, I provided the final Government response to the recommendations contained in Sir Iain Glidewell's report on the CPS. Sixty-four of the 75 recommendations have now been accepted, accepted in part or in principle, or implemented. Only two recommendations have been rejected. Work continues on the implementation of what is a substantial initiative within the criminal justice system.

Charities

33. **Dr. Stoate:** To ask the Attorney-General if he will make a statement on his responsibilities in relation to charities. [87912]

The Solicitor-General: The Attorney-General's responsibilities in relation to charities are historic and wide-ranging. The Attorney-General's function is to represent the Crown as parens patriae and so to act as protector, both of charity in general and of particular charities. It falls to the Attorney-General to institute legal proceedings to protect a charity and to represent the charitable interest. The Attorney-General is a necessary party to any litigation in which the objects of a charity need to be separately represented, for example, where the interest of the Trustees do not coincide with the objects of the charity.

In addition, the Attorney-General has the power to authorise ex gratia payments from charitable funds on moral grounds where such payments might otherwise amount to breaches of trust and he has power, by derogation from the Sovereign, to give directions under the Sign Manual as to the re-distribution of uncertain charitable gifts under wills.

Lenient Sentences (Appeals)

Mr. Simon Hughes: To ask the Attorney-General in how many cases he has sought leave to appeal against sentences on grounds of alleged leniency. [87906]

The Attorney-General: Since 1 May 1997 in England and Wales 197 individual references have been lodged with the Court of Appeal. 81.6 per cent. of the references heard have resulted in an increased sentence.

HOME DEPARTMENT

Mr. Aloyzas Balsys

Mr. Cohen: To ask the Secretary of State for the Home Department what representations he has received from the *(a)* US and *(b)* Lithuanian authorities in connection with allegations of war crimes by Mr. Aloyzas Balsys; and if he will make a statement. [88329]

Mr. Boateng: I am arranging for the relevant records to be examined, and will write to my hon. Friend as soon as possible.

European Communities Working Groups

Mr. Bercow: To ask the Secretary of State for the Home Department if he will list the European Communities working groups which met over the last 12 months with a representative from his Department in attendance; if he will list the number of times each met; if he will indicate the nature of the Government's representation; and if he will make a statement. [88476]

Kate Hoey: The information requested for the period since 1 July 1998 is given in the table. Attendance from the Home Office was usually by one or two officials of around grade 7 level, with members of the United Kingdom Permanent Representation to the European Union and officials of other Government Departments as necessary.

Working group	*Number of meetings*
Visa Working Group	10
Working Party on Economic Questions (Data Protection)	7
Regulators Group (Building and Construction Materials)[1]	4
Standing Committee on Construction (Construction Products Directive)[1]	3
Article 10 (Precursor Chemicals) Committee	3
Working Group on Posting of Third-Country National Workers[2]	3
Asylum Working Group[2]	1
Expulsions Working Group[2]	1
Migration Working Group[2]	1
Eurodac Working Group[2]	1
Contact Committee on Money Laundering	1
DGXV officials group on transfer of information at the European Parliamentary elections 1999	1

[1] Since the coming into force of the Treaty of Amsterdam on 1 May
[2] Department of the Environment, Transport and the Regions DETR lead Department

In addition, several Working Groups convened under the auspices of Title VI of the Treaty on European Union met on a number of occasions during the period in question.

Special Advisers

Mr. Matthew Taylor: To ask the Secretary of State for the Home Department on what dates special advisers from his Department have travelled to the United States of America on official business since 1 May 1997; which of his special advisers took part in these visits; and if he will list the meetings which these special advisers held with members and officials of the US Government during the visits, specifying the dates and locations of each meeting and the names of the US minister and officials at each meeting. [88435]

Mr. Straw: There has only been one such occasion. On 4 February 1998, Lord Warner accompanied me on a visit to Washington. He did not hold any meetings of his own but did attend meetings I had with the National Institute of Justice, the Department of Justice and Attorney-General Janet Reno in Washington. Lord Warner also accompanied me to meetings I had in Baltimore with the Director of International Programmes, Office of Mayor Schmoke, representatives of the Circuit Court of Baltimore and the Baltimore City Police Department.

Racism

Lorna Fitzsimons: To ask the Secretary of State for the Home Department what steps he has taken to ensure that police data on racial harassment and racially motivated crime are documented on the same basis by all police forces. [88911]

Mr. Boateng: Until recently, all forces recorded racial incidents under the Association of Chief Police Officers' definition of a racial incident:

> "Any incident in which it appears to the reporting or investigating officer that the complaint involves an element of racial motivation; or any incident which includes an allegation of racial motivation made by any person".

The Stephen Lawrence Inquiry recommended that these incidents are referred to as "racist incidents" and that a simpler and clearer definition should be used:

> "A racist incident is any incident which is perceived to be racist by the victim or any other person".

This was adopted by all police forces on 28 April 1999.

A breakdown of the number of racist incidents recorded by the police in each police area in 1997–98 is given in the Home Office publication "Statistics on Race and the Criminal Justice System 1998", a copy of which is in the Library. The new definition will be incorporated into the Notes for Guidance 1999–2000 to forces on collecting this data.

The Crime and Disorder Act 1998 introduced new offences for racial crime which came into force on 30 September 1998. These correspond to the existing main offences which deal with violence against the person (except those which carry a maximum sentence of life imprisonment), criminal damage and offences of harassment. They relate to cases in which there was either racial motivation or any aggravating evidence of racial hostility in connection with the offence and provide the courts with higher maximum penalties to reflect the racial aspect to the crime. These are separate criminal offences in law and will be identified as such at all stages of the criminal justice system.

The Association of Chief Police Officers issued a good practice guide on the police response to racial incidents in April 1998. The guide sets out clear policy and procedures for dealing with racist incidents. The guide has been reviewed and a new manual will be issued by December 1999.

The Association of Chief Police Officers has recently produced a report on the Reporting and Recording of Racist Incidents which identified the minimum data content that the police should collect on racist incidents, sets out a method for tracking them throughout the criminal justice system, and makes recommendations for future data collection and monitoring systems. This has been adopted by police forces in principle, subject to the Information Technology implications being looked at in further detail.

Lorna Fitzsimons: To ask the Secretary of State for the Home Department what steps he has take to ensure that the data gathered by local race relations councils under the Commission for Racial Equality on racial harassment are comparable and gathered in the same way. [88912]

Mr. Boateng: Local race equality councils are not required to record racist incidents and practice may vary.

The Government have accepted recommendations 15–17 of the Lawrence Inquiry which deal with the reporting of racist incidents by the police, local authorities and other relevant organisations. The Government are taking forward these recommendations through the Racist Incidents Standing Committee (RISC), on which the Commission for Racial Equality is represented.

RISC will develop a code of practice for use by all relevant agencies, including standard reporting and recording arrangements, by April 2000. It will be used to record race equality comments.

Elections for Trial

Mr. Bill Michie: To ask the Secretary of State for the Home Department what assessment he has made of the impact that plea before venue has had on elections for trial. [88927]

Mr. Boateng: As expected, section 49 of the Criminal Procedure and Investigations Act 1996 ('plea before venue') had led to a decrease in the number of persons committed to the Crown Court for trial. This decrease has been apparent both in those cases which are directed there by the magistrates, and in those where the defendant elects to be tried in the Crown Court. The proportion of cases reaching the Crown Court by way of election, which fell steadily from 53 per cent. to 28 per cent. in the 10 years 1987–97, remained at 28 per cent. in 1998, the first full year in which plea before venue was in operation.

Police Discipline Appeals Tribunals

Mr. Sanders: To ask the Secretary of State for the Home Department, pursuant to his answer of 15 June 1999, *Official Report*, column *101*, on the proceedings relating to the dismissal of police officers, if he will publish The Independent Tribunal's reasons and their recommendation. [88940]

Kate Hoey: We will consider disclosing recommendations made by police discipline appeals tribunals, on request and after the parties have been informed. However, to disclose a tribunal's reasons would mean making public details of the case of an individual who has appealed against an internal police personnel discipline decision. Because of the unfairness which could arise from disclosing such details, it is not the practice of the Home Office to publish tribunals' reasons. Copies of tribunal reports to the Home Secretary are sent to appellants and respondents, and it is open to them to consider whether they wish to disclose further details.

Correspondence

Mr. Winnick: To ask the Secretary of State for the Home Department, pursuant to his answer of 11 June 1999, *Official Report*, column *420*, when the hon. Member for Walsall, North will receive a substantive reply to his letter of 27 April regarding a constituent. [88814]

Mr. Mike O'Brien: I replied to my hon. Friend's letter on 29 June.

Prison Planning Application (Peterborough)

Mrs. Brinton: To ask the Secretary of State for the Home Department when his Department first considered the possibility of building a prison in Peterborough constituency; and which Minister evaluated the proposal. [89191]

Mr. Straw: The suitability of the site of the former Rockwell/APV works in Peterborough was brought to the attention of the Prison Service in October 1996 and was first visited by Prison Service officials in early November 1996. The then Minister of State responsible for prisons and probation, my right hon. Friend the Member for Gateshead, East and Washington, West (Ms Quin) approved the submission of a formal planning proposal in June 1997. Information relating to whether and when Ministers of the previous administration considered any matter is quite properly not available to Ministers of the present government.

Mrs. Brinton: To ask the Secretary of State for the Home Department what local consultation took place at the time the building of a prison in the Peterborough constituency was first considered; and what consultation there was with the local Member at the time. [89192]

Mr. Straw: Prison Service officials' first meeting with Peterborough City Council's planning officers took place on 18 April 1997: a second meeting was held on 8 May 1997. I briefed my hon. Friend in June 1997, following the decision by my right hon. Friend the Member for Gateshead, East and Washington, West (Ms Quin), the then Minister of State responsible for prisons and probation, that the Prison Service should submit a formal planning application.

Foreign Contracts (Bribes)

Mr. Cousins: To ask the Secretary of State for the Home Department how many prosecutions for the use of bribes to secure foreign contracts have been brought in England and Wales in the last five years. [87913]

Mr. Boateng: Offences of bribery to secure foreign contracts are either prosecuted under the Prevention of Corruption Acts 1906 and 1916, or under the common law offence of bribery. The table shows the total number of defendants proceeded against in England and Wales for

offences under this legislation. The Home Office Court Proceedings Database, from which these figures are drawn, does not identify the specific nature of the offence such as bribery to secure foreign contracts.

Number of defendants proceeded against for offences under the Prevention of Corruption Acts 1906 and 1916 or the Common Law Offence of Bribery, England and Wales, 1993–97

	Prevention of Corruption Acts 1906 and 1916	*Common Law*
1993	19	—
1994	19	—
1995	22	—
1996	25	—
1997	11	—

E-commerce

Mr. Loughton: To ask the Secretary of State for the Home Department (1) what proposals he has to link the licensing of trusted third parties with key escrow in e-commerce communications; [R] [89334]

(2) what is his policy towards key escrow in e-commerce communications; [R] [89333]

(3) what new powers he proposes to give police and the security services to gain access to encrypted computer files; [R] [89336]

(4) what plans he has to control encryption in e-commerce communications. [R] [89335]

Mr. Straw: There will be no mandatory link between key escrow and being an approved provider of cryptography services under the proposed e-commerce legislation. Approved providers will be free to offer those cryptographic services required by their clients. These may, for good business reasons, include the storage of their clients' encryption keys. Encryption technologies are vital for instilling trust in e-commerce transactions and the Government do not propose to control their legitimate use. The same technologies, can, however, also be put to criminal use. In response to this threat, the Government intend to provide the law enforcement, security and intelligence agencies with new powers to require any person, upon service of a properly authorised written notice, to produce specified material in an intelligible form or to disclose relevant material (for example a decryption key) necessary to render it intelligible. The legislation will contain strong safeguards and the powers will only apply to material which is, or has been, lawfully obtained.

Internet (Police Access)

Mr. Loughton: To ask the Secretary of State for the Home Department what proposals he has to encourage greater use of the internet by police authorities for publicising details of *(a)* wanted criminals and *(b)* missing persons. [R] [89337]

Mr. Boateng: The police service is aware of the potential benefits of the internet to its work. I understand that the Metropolitan and Hertfordshire forces have, in fact, set up an internet site with details of missing children on a pilot basis. The Association of Chief Police Officers (ACPO) is currently considering how the internet may best be used. A national information management strategy has been prepared and will shortly be proposed for adoption across the service. A number of forces already have websites. A summary of police force websites can be found at www.wypbcm.demon.co.uk.

CABINET OFFICE

Joint Consultative Committee

Mr. Gordon Prentice: To ask the Minister for the Cabinet Office if he will list the policy issues which have been discussed by the Joint Consultative Committee which are the responsibility of the devolved administrations in (i) Scotland and (ii) Wales. [87344]

Dr. Jack Cunningham: Details of the proceedings of the Joint Consultative Committee are exempt from disclosure under the internal discussion and advice exemption of the Code of Practice on Access to Government Information.

Mr. Gordon Prentice: To ask the Minister for the Cabinet Office what the estimated cost is of servicing the Cabinet Joint Consultative Committee. [88836]

Dr. Jack Cunningham: No separate costs for the servicing of the Joint Consultative Committee are identified.

Prevention of Terrorism (Temporary Provisions) Act

Mr. Lidington: To ask the Minister for the Cabinet Office on what date his Department was first informed that Parts IV A and IV B of the Prevention of Terrorism (Temporary Provisions) Act 1989 were no longer in force. [88793]

Mr. Kilfoyle: On 23 June 1999.

WALES

Oncologists

Mr. Paul Marsden: To ask the Secretary of State for Wales how many clinical and medical oncologists are employed per head of population in Wales; and if he will make a statement. [87868]

Mr. Jon Owen Jones: Information on NHS medical and dental staff is collected annually as at 30 September. The latest available information relates to September 1997 and is given in the following table.

Staff in post at 30 September (excluding locums) per 1,000,000 population

	Consultants		*All grades*	
	Number	*Wte* [1]	*Number*	*Wte* [1]
Medical oncology	0.3	0.3	0.7	0.4
Clinical oncology	5.8	4.7	12.6	10.5

[1] Whole-time equivalent.

Following the transfer of functions, this issue has been devolved to the National Assembly for Wales.

Social Service Departments

Mr. Öpik: To ask the Secretary of State for Wales if he will estimate for each local authority social service department in Wales the cost of funding the discharge from hospital of patients of pensionable age who are currently medically fit to be discharged but are in need of respite care; and if he will make a statement. [88172]

Mr. Jon Owen Jones: The cost of discharging patients to other forms of care would depend on the nature of the care required and for how long it was required. Such details of the care packages of individual patients are not collected centrally.

Following the transfer of functions, this issue has been devolved to the National Assembly for Wales.

Ministerial Responsibilities

Mr. Barry Jones: To ask the Secretary of State for Wales if he will make a statement concerning his responsibilities following the establishment of the Assembly Cabinet. [86340]

Mr. Michael: Following the transfer of power at midnight on Wednesday, 30 June, my functions as Secretary of State for Wales will be:

Functions relating to my membership of the UK Government

Responsibility to ensure that the interests of Wales are fully considered in the workings of the UK Government

Responsibility to steer primary legislation relating to Wales through Parliament

Functions relating to the fact that this House will vote the Main Estimate to the Secretary of State for Wales, who will make a grant to the Assembly after deducting the cost of running his own office

Responsibility to consult the Assembly on the Government's legislative programme

Responsibility to ensure that the arrangements for co-operation between the Assembly and the UK Government are working effectively.

All other functions of the Secretary of State for Wales transfer to the Assembly. It may be helpful for the House to know the way the provisions of the Government of Wales Act 1998 are being put into practice. The Assembly has delegated responsibilities to me as First Secretary of the National Assembly for Wales. Onward delegation to my Assembly Cabinet has enabled us to create a positive and dynamic relationship between my Assembly Cabinet and other Subject Committees which mirror the portfolios of Assembly Secretaries. I am placing in the Library a copy of the Assembly papers relating to the responsibilities of the Assembly Secretaries and the intended way to deal with cross-cutting issues.

TREASURY

Financial Stability Forum

Mr. Chaytor: To ask the Chancellor of the Exchequer who is representing Her Majesty's Government on the Financial Stability Forum working groups on short-term capital flows, highly leveraged institutions and offshore financial centres. [87684]

Ms Hewitt: The UK representatives on these groups are Paul Tucker (Deputy Director, Bank of England), on the short-term capital flows group; Howard Davies (Chairman, Financial Services Authority), who is chairing the highly leveraged institutions group; and Joseph Halligan (Head of International Financial Services team, HM Treasury) on the offshore financial centres group.

Mr. Chaytor: To ask the Chancellor of the Exchequer what steps Her Majesty's Government are taking to ensure that the UK representatives to the Financial Stability Forum working groups on short-term capital flows, highly leveraged institutions and offshore financial centres consult with international development non-Governmental organisations in the UK. [87685]

Ms Hewitt: We would welcome views from international development non-governmental organisations and any other groups or individuals interested in the work of the Financial Stability Forum working groups. These should be sent to the UK representatives on the groups: Howard Davies (Chairman, Financial Services Authority), who is chairing the highly leveraged institutions group; Paul Tucker (Deputy Director, Bank of England), on the short-term capital flows group; and Joseph Halligan (Head of International Financial Services team, HM Treasury) on the offshore financial centres group.

Refrigerants

Mr. Stunell: To ask the Chancellor of the Exchequer what plans he has to introduce *(a)* economic and *(b)* fiscal instruments to reduce HFC emissions in the refrigeration market sector. [87688]

Ms Hewitt: Under the Kyoto Protocol the UK is committed to a legally binding target of a 12.5 per cent. reduction in greenhouse gas emissions below 1990 levels by 2008–12. The Government will be consulting later this year on the policy options for achieving our emissions targets, including options for reducing HFC emissions.

During 1996 and 1997, the Government negotiated five voluntary agreements with the various industry sectors including the refrigeration industry, to limit both use and emissions of HFCs. Under current policies HFC emissions are expected to fall by a substantial amount. The latest projections show that HFCs will contribute only around 1 per cent. of total UK greenhouse gas emissions, calculated in terms of the global warming contribution, by 2010.

World Bank (Social Principles)

Mr. Kidney: To ask the Chancellor of the Exchequer what progress has been made on incorporating the social principles drafted by the World bank into the decision-making of *(a)* the IMF, *(b)* the World bank and *(c)* the United Kingdom. [87884]

Ms Hewitt: The World bank is currently working with the IMF to translate the draft social principles discussed at the Development Committee in April into good practices in social policy when designing adjustment programmes.

The good practices in social policy will help promote long-term growth and greater prosperity; and the need for equality of opportunity to ensure that everyone has access to the benefits of, and is able to contribute towards, this growth and prosperity.

As my right hon. Friend the Chancellor made clear in his Mansion House speech earlier this month, the Government have put in place policies for a modern successful economy to ensure employment opportunity and greater prosperity for all in the years ahead, and which is therefore fully compatible with the principles and good practice in social policy.

Financial Crises

Mr. Kidney: To ask the Chancellor of the Exchequer if he will review the United Kingdom's policy on the conditions to be attached to future financial contributions towards remedying the financial crises and preventing future ones in *(a)* Brazil and *(b)* elsewhere. [87883]

Ms Hewitt: Financial tensions in Brazil have eased significantly, following the IMF-led international financial support package agreed last year. The conditions attached to the UK's contributions to this support package are those of the programme as a whole and the UK Government will continue to play an active role in monitoring Brazil's performance under the programme. Continued adherence under the IMF programme, together with an appropriate contribution from private sector creditors, underpins the BIS co-ordinated credit line, to which the UK has also contributed.

The UK Government have played their part, most recently at the G7 Summit on 18 June, to ensure that future packages to which the UK contributes are as effective as possible. Commitments which were made at the Summit to help achieve this included promoting the involvement of the private sector in crisis resolution; ensuring that the poor and vulnerable are better protected from the burden of adjustment in times of crisis; and greater transparency in the way in which the International Financial Institutions operate.

Foreign Currency Borrowings (Taxation)

Mr. Cohen: To ask the Chancellor of the Exchequer if he will assess the (i) advantages and (ii) disadvantages of the imposition by the UK of taxation upon borrowings in foreign currencies by UK domestic companies; what discussions he has had on such proposals in respect of other countries vulnerable to currency stocks in relevant international economic forums; if he will estimate the taxation income for the United Kingdom of a 1 per cent. tax rate; and if he will make a statement. [88327]

Ms Hewitt: During the wide consultations which have been carried out to forge a consensus on necessary reforms to the international financial system, consideration has been given to a range of proposals for taxation of foreign currency transactions. Such proposals raise a number of practical difficulties which we have considered but do not believe could be overcome. Similarly, it would be extremely difficult to determine robust estimates of the revenue yield, which could be provided only at disproportionate cost.

Single Currency

Mr. Heathcoat-Amory: To ask the Chancellor of the Exchequer if *(a)* the Inland Revenue, *(b)* Customs and Excise and *(c)* HM Treasury have incurred expenditure on (i) extra staff, (ii) acquisition of accommodation, (iii) development of IT systems and (iv) the acquisition of supplies in preparation for possible United Kingdom entry to the European single currency; and if he will make a statement. [88748]

Ms Hewitt: Inland Revenue, Customs and Excise and HM Treasury's Euro Preparations Unit have worked to ensure that UK business and public authorities were ready for the introduction of the euro in 11 other European Union countries on 1 January 1999. There is a continuing need to provide UK business with the information that they need to help them remain competitive in this new European business environment. In line with the Government's stated position that the public sector will take a lead in planning, departments have also been considering the implications of possible UK entry to the European Single Currency. This work has been part of the normal business of departments and to date changeover work has not involved expenditure on extra staff, accommodation or the development of IT systems.

Mr. Maude: To ask the Chancellor of the Exchequer what estimate he has made of the amount of public funds to be spent on preparing for the possibility of UK entry into the single currency before a referendum. [88907]

Ms Hewitt: The cost of euro preparations would depend on the detailed approach that the UK took to the changeover. Where computer systems are being upgraded, all departments will build in euro compatibility where that represents value for money. In the case of the DSS, the Inland Revenue and Customs and Excise, the scale and complexity of their computer systems makes advance preparations critical. Prior to a referendum they may therefore need to spend up to some tens of millions of pounds, spread over a number of years to make their IT systems euro-compatible, so that we can maintain the flexibility for Britain to make the changeover as quickly and cost effectively as possible if that is what Government, Parliament and the people decide.

Provisions were therefore included in the Finance Bill and the Welfare Reform and Pensions Bill which will provide specific statutory authority for this spending. Expenditure will be voted by Parliament in the normal way.

Employment (Shrewsbury and Atcham)

Mr. Paul Marsden: To ask the Chancellor of the Exchequer, pursuant to his answer of 24 June 1999, *Official Report*, column *464*, how many people are currently employed in the Shrewsbury and Atcham local authority district. [89048]

Ms Hewitt: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from John Kidgell to Mr. Paul Marsden, dated 1 July 1999:

In the absence of the Director of the Office for National Statistics (ONS), I have been asked to reply to your recent parliamentary question on the number of people employed in the Shrewsbury and Atcham local authority district.

There are two sources of employment information at local authority district level.

The latest available estimate is from the 1997/98 Labour Force Survey (LFS) Local Authority Database (LADB), covering the period March 97—February 98. This shows that 47,000 people

living in Shrewsbury and Atcham were in employment. The LFS is a sample survey covering around 96,000 households annually, or some 184,000 adults.

Your recent question on employment was answered on 24 June 1999, *Official Report*, column *464*. It used the Annual Employment Survey (AES), from which the number of Employee Jobs at September 1997 was given in the reply. The AES sample is drawn from the Inter-Departmental Business Register (IDBR). In 1997 it comprised 105,000 enterprises, covering half a million workplaces and 15.5 million employees (out of a total population of roughly 23 million employee jobs).

Although the AES has a larger sample size, the LFS gives more complete coverage. The LFS includes employees, self-employed, unpaid family workers and those on government employment training programmes.

Stamp Duty

Mr. Maude: To ask the Chancellor of the Exchequer what proportion of the revenue generated by stamp duty arose from duty charged on the purchase of commercial land and property in the last year for which figures are available. [88828]

Ms Hewitt: The requested information is given in the table.

1998–99[1] (Provisional)

	Net receipts £ billion	*Proportion of net receipts Percentage*[1]
Stamp duty (including stamp duty reserve tax) on transaction in shares and other securities	2.5	55
Stamp duty on:		
Residential transactions	1.2	25
Commercial property and land transactions	0.9	20
Total	4.6	100

[1] Proportions rounded to nearest 5 per cent.

Bank of England Loans

Mr. Maude: To ask the Chancellor of the Exchequer if he will list the *(a)* number and *(b)* total value in sterling of (i) secured and (ii) unsecured loans made by the Bank of England during the last two years; and if he will make a statement on the Bank's status as lender of last resort. [88919]

Ms Hewitt: The Bank makes loans in the normal course of its operations and these are described in its 1999 Annual Report. In its capacity as lender of last resort, the Bank of England has made no new loans, either secured or unsecured, over the last two years.

The Bank's role in the field of financial stability is described in a Memorandum of Understanding between HM Treasury, the Bank and the Financial Services Authority, which was published in October 1997.

Economic Convergence

Mr. Maude: To ask the Chancellor of the Exchequer what evaluation he has made of the structural divergence of the British economy with the economies of the rest of the EU. [88843]

Ms Hewitt: The Treasury's assessment of the Chancellor's five economic tests was published in October 1997.

Mr. Maude: To ask the Chancellor of the Exchequer what evaluation he has made of the cyclical convergence of the British economy with those of North America. [88842]

Ms Hewitt: The Government's evaluation of the cyclical convergence of the British economy with those of North America is contained in the Treasury's assessment of the five economic tests, published at the time of the Chancellor's statement on EMU in October 1997.

Gold Reserves

Mr. Maude: To ask the Chancellor of the Exchequer how much gold was held in the UK Exchange Equalisation Account on *(a)* 6 May and *(b)* 6 June; and in each case what was its value. [88826]

Ms Hewitt: A breakdown of the size and composition of the United Kingdom's reserve holdings is published in Table 2 of the Quarterly Report on UK Official Holdings of Foreign Currency and Gold.

Mr. Maude: To ask the Chancellor of the Exchequer if he will estimate the value of the Exchange Equalisation Account following the proposed sale of gold and relative to its value at 6 May. [88825]

Ms Hewitt: As the proceeds from the programme of auctions of gold will be invested in foreign currency assets and retained in the reserves, the asset base of the Exchange Equalisation Account will remain roughly the same.

A breakdown of the size and composition of the United Kingdom's reserve holdings is published in Table 2 of the Quarterly Report on UK Official Holdings of Foreign Currency and Gold.

Landfill Tax

Ms Roseanna Cunningham: To ask the Chancellor of the Exchequer what is the total landfill tax raised from disposals within Scotland in each financial year since the introduction of the tax; what proportion of the tax in each year has been retained by the Treasury as general taxation; and what proportion is allocated to environmental trusts. [89074]

Ms Hewitt: Figures relating to landfill tax are not available for separate countries or regions within the UK. This is due to the method of collection of the tax, where each landfill operator is registered according to the location of their head office.

Mr. Livsey: To ask the Chancellor of the Exchequer how much revenue his Department has received from the levy of landfill tax in Wales in each of the last five years. [89061]

Ms Hewitt *[holding answer 29 June 1999]:* Figures relating to landfill tax are not available for separate countries or regions within the UK. This is due to the method of collection of the tax, where each landfill operator is registered according to the location of their head office.

Insurance Intermediaries

Ms Lawrence: To ask the Chancellor of the Exchequer what plans he has for regulation of intermediaries dealing in general insurance. [89460]

Ms Hewitt: As the former Economic Secretary my hon. Friend the Member for Airdrie and Shotts (Mrs. Liddell) announced on 27 July 1998, *Official Report*, columns *23–24*, the Financial Services and Markets Bill, now before the House, will provide for the repeal of the Insurance Brokers (Registration) Act 1977. Subject to the approval of Parliament, this will end the statutory status of the Insurance Brokers Registration Council (IBRC). The Joint Committee on Financial Services and Markets' recent report on the draft Bill supported this approach.

I am grateful to the current IBRC members for their work in continuing to serve on the Council in the interests of the insurance broking community during the present transitional period. To assist them in that task, I have today, under existing powers, nominated three new members to fill vacancies on the Council, to serve until the Council's statutory status ends:

Ronald Armstrong OBE

Bryan Lincoln

Dr. Oonagh McDonald CBE.

I am pleased that, since my right hon. Friend's announcement, the insurance industry, including general insurance intermediaries, has risen to the challenge she outlined. A broad-based range of support has developed for the General Insurance Standards Council (GISC), a new voluntary body to promote high standards of professional conduct among general insurance intermediaries.

The GISC is committed to strengthening industry standards and developing general insurance intermediaries' services to the public in all parts of the market. It plans to complement the statutory responsibilities of the Financial Services Authority (FSA) while stripping away unnecessary regulatory requirements on general insurance intermediaries. The GISC has gathered support with impressive speed. If it can fulfil its promise, it will provide valuable services to both general insurance intermediaries and their customers.

There may in future be a case for statutory regulation of general insurance intermediaries. If so, the Financial Services and Markets Bill contains a provision which would enable the Treasury to specify regulated activity, and to give regulatory responsibility to the FSA. For the moment, I have no plans to specify advice on general insurance as a regulated activity.

Treasury Meetings

Mr. Loughton: To ask the Chancellor of the Exchequer if he will publish the minutes of the monthly tripartite meetings between the Treasury, the FSA and the Bank of England. [R] [89332]

Ms Hewitt: The meetings include discussions of individual cases, as well as more general systemic threats. Since much of the information discussed is covered by statutory bars on disclosure, it would not be appropriate to publish the minutes.

Securities Activity (Internet)

Mr. Loughton: To ask the Chancellor of the Exchequer what response his Department has made to the International Organisation of Securities Commission's report on the Reduction of Systemic Risk and Securities Activity on the Internet published in September 1998. [R] [89328]

Ms Hewitt: The IOSCO report "Securities Activity on the Internet" examined the regulatory and enforcement issues posed by securities activities conducted over the Internet. The Government have found the IOSCO report helpful in considering the issues raised by new technologies in the context of the Financial Services and Markets Bill.

Financial Services Authority (Scottish Lawyers)

Mr. Loughton: To ask the Chancellor of the Exchequer what discussions he has had with Scottish lawyers' organisations regarding the transfer of the regulation of Scottish lawyers offering financial advice to the FSA. [R] [89327]

Ms Hewitt: HM Treasury has held a number of meetings with the Law Society of Scotland in the course of consulting on and drafting the Bill and associated secondary legislation.

Pensions Mis-selling

Mr. Loughton: To ask the Chancellor of the Exchequer how many cases of pensions mis-selling have been referred to the police by the FSA. [R] [89330]

Ms Hewitt: None.

Climate Change Levy

Mr. Pearson: To ask the Chancellor of the Exchequer what estimate he has made of *(a)* the cost of the climate change levy to his Department and *(b)* the savings from the reduction in National Insurance Contributions that will occur when it is introduced. [88860]

Ms Hewitt: The net impact of the climate change levy and the associated reduction in main rate of employers' National Insurance Contributions on the Chancellor's departments will depend on the rates of climate change levy. The final rates of climate change levy will not be set until Finance Bill 2000.

In addition, the Government are still considering a number of detailed issues on the tax treatment of different energy products which could have a significant impact in some instances. It is therefore not possible to give definitive figures about the impact of the climate change levy on the Chancellor's departments.

Financial Services and Markets Bill

Mr. Loughton: To ask the Chancellor of the Exchequer what discussions his Department has had with the Better Regulation Task Force regarding the new regulatory powers proposed in the Financial Services and Markets Bill. [R] [89326]

Ms Hewitt: HM Treasury has received helpful comments from the Better Regulation Task Force in the course of consulting on and drafting the Bill.

Company Cars

Mr. Baker: To ask the Chancellor of the Exchequer by what percentage he estimates company car mileage will reduce as a consequence of the measures introduced in his last Budget. [88717]

Ms Hewitt *[holding answer 29 June 1999]:* The measures introduced in the last Budget reduce the incentive for drivers to use a company car for business mileage and to do excess business mileage simply to qualify for discounts on their tax charge. They are therefore likely to lead to a small reduction in company car mileage. The Inland Revenue also estimates that as a result of the comprehensive reforms to be introduced in 2002, between 100 and 300 million fewer business miles will be driven in company cars, a reduction of between 0.3 per cent.–0.8 per cent.

AGRICULTURE, FISHERIES AND FOOD

Genetically Modified Animal Feed

12. **Mr. Geraint Davies:** To ask the Minister of Agriculture, Fisheries and Food what action his Department plans to take to ensure that animal feed including genetically modified ingredients is adequately labelled. [87927]

Mr. Rooker: There are extensive EC rules on the labelling of animal feed. The Government are seeking improved listing of ingredients and pressing the Commission to forward to the Council its proposed regulation covering novel animal feeds. This is necessary to ensure fair and consistent labelling of GM feeds throughout the EU. Pending the introduction of such EC measures, we are also exploring whether national labelling arrangements are feasible.

US Imports

13. **Mr. Gapes:** To ask the Minister of Agriculture, Fisheries and Food what representations he has received from farmers about the level of imports of US agricultural products. [87928]

Mr. Nick Brown: I am glad to say that the level of agricultural imports coming from the US has not been a significant focus of concern for UK farmers in the recent past.

Safe Farming

14. **Mr. Gordon Prentice:** To ask the Minister of Agriculture, Fisheries and Food what steps he is taking to promote safe working practices in farming. [87930]

Mr. Rooker: I fully endorse the Health and Safety Commission's strategy which includes agriculture as a priority area and my Department supports the Health and Safety Executive in its work in farming, and has initiated a project in Cornwall and Devon.

Sheep Exports

15. **Mrs. Anne Campbell:** To ask the Minister of Agriculture, Fisheries and Food what steps he is taking to improve the welfare of sheep which are exported from the UK. [87931]

Mr. Morley: Whilst the sheep are on our territory we strictly apply the EU rules that relate to their fitness to travel, suitability of the means of transport and other aspects of their welfare.

We also urge the receiving member states to do the same on their territory: officials maintain contacts with their opposite numbers in support of this.

Cheese

16. **Mr. Cousins:** To ask the Minister of Agriculture, Fisheries and Food what steps he is taking to promote the making of sheep and goats' cheese in the north-east of England. [87932]

Mr. Nick Brown: The Government are committed to supporting a speciality food industry in which specialist cheesemakers play a significant role.

Beef Exports

17. **Mr. Clifton-Brown:** To ask the Minister of Agriculture, Fisheries and Food when he expects beef to be exported to the continent. [87933]

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food when he expects the date-based export scheme for beef to be operational throughout the UK. [87917]

Mr. Nick Brown: The European Commission inspected our operational arrangements for the date-based export scheme in the week 12 to 16 April. The report of this inspection was presented to their Standing Veterinary Committee on 15 June and includes a recommendation that the Commission should set the date from which exports of beef under the scheme may begin.

Dioxins (Belgium)

18. **Dr. Gibson:** To ask the Minister of Agriculture, Fisheries and Food what actions he took in response to the discovery of dioxins in Belgian poultry and dairy produce. [87934]

Mr. Rooker: I refer my hon. Friend to the statement given by my right hon. Friend the Minister on 8 June 1999, *Official Report*, columns *480–81*.

Battery Hens

19. **Mr. McDonnell:** To ask the Minister of Agriculture, Fisheries and Food what steps he is taking to improve the welfare of battery hens. [87935]

21. **Mr. Pike:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the agreement at the June Agriculture Council concerning phasing out battery hens by 2012. [87939]

Mr. Gardiner: To ask the Minister of Agriculture, Fisheries and Food what measures he is introducing to phase out the farming of battery hens. [87923]

Mr. Morley: We shall implement the EU Directive which was agreed in Luxembourg on 15 June. This requires all members states to ban the conventional battery cage from 1 January 2012 and to apply improved standards to its use in the meantime.

My right hon. Friend the Minister was delighted to be part of the qualified majority which took this historic decision.

Meat Hygiene

20. **Miss McIntosh:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement about compliance with meat hygiene regulations in other parts of the EU. [87936]

Mr. Rooker: The European Commission's Food and Veterinary Office (FVO) is responsible for ensuring that individual EU member states comply with their Community public health obligations, including the enforcement of the EU meat hygiene Directives. The FVO carries out a regular programme of inspection visits to all member states and publishes the reports of all such visits.

Mr. Paterson: To ask the Minister of Agriculture, Fisheries and Food if raw meat products produced from whole carcases in meat processing plants, in premises which come under the supervision of local authority enforcement officers fail to meet hygiene standards more frequently than meats produced from whole carcases in cutting plants which come under the supervision of the Meat Hygiene Service. [88395]

Mr. Rooker: The information requested is not available.

Food Standards Agency

22. **Dr. Naysmith:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the timetable for the introduction of the Food Standards Agency. [87940]

Mr. Rooker: If the Food Standards Bill can be passed successfully, we aim to have the Agency in place in the first half of next year.

Milk Marque

23. **Mr. Alan W. Williams:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the future of Milk Marque. [87941]

Mr. Morley: It would not be appropriate to comment until after my right hon. Friend the Secretary of State for Trade and Industry has published the Monopolies and Mergers Commission report on the supply of raw milk in Great Britain.

School Milk

24. **Fiona Mactaggart:** To ask the Minister of Agriculture, Fisheries and Food what recent discussions he has had regarding the provision of school milk. [87942]

Mr. Morley: My Department has regular discussions with interested groups about the operation of the EC School Milk Subsidy Scheme. In addition, my right hon. Friend the Minister raised the subject at the last Agriculture Council and received considerable support for our view about the value of the current EU scheme.

Set-aside

25. **Mr. Ben Chapman:** To ask the Minister of Agriculture, Fisheries and Food what progress is being made on allowing the use of set-aside for environmental purposes. [87943]

Mr. Morley: The environmental advantages that can be gained from set-aside will be enhanced by the commitment we obtained from the Commission at the Council on 14–15 June to allow member states to apply more flexible set-aside rules where this brings environmental benefits.

Special Advisers

Mr. Matthew Taylor: To ask the Minister of Agriculture, Fisheries and Food on what dates Special Advisers from his Department have travelled abroad on official business since 2 May 1997; which countries were visited on each occasion; and what were the names of the Special Advisers who travelled on each occasion. [86293]

Mr. Nick Brown: I refer the hon. Member to the replies given to the hon. Member for Chichester (Mr. Tyrie) on 15 April 1999, *Official Report*, column *319* and 8 June 1999, *Official Report*, columns *249–50*.

Farmers' Markets

Mr. Bob Russell: To ask the Minister of Agriculture, Fisheries and Food what assistance he is giving to the establishment of farmers' markets; and if he will make a statement. [88168]

Mr. Rooker: I support fully the establishment of farmers' markets. The Department organised a seminar on 9 March with key players to encourage the development and promulgation of the concept.

Kali Mountford: To ask the Minister of Agriculture, Fisheries and Food what recent discussions he has had on the development of farmers' markets. [87929]

Mr. Nick Brown: I opened the Islington Farmers' Market last month.

Pig Industry

Miss McIntosh: To ask the Minister of Agriculture, Fisheries and Food if he will seek to ensure that Government Departments, local authorities and other related agencies purchase only UK-produced pigmeat products. [88855]

Mr. Rooker: This Department has no powers to dictate to authorities with public procurement responsibilities. None the less, my right hon. Friend the Minister has written to a number of Government Departments to underline the guarantees that British pigmeat can offer. He drew attention to the good story which the industry has to tell in respect of its efforts on quality assured and welfare friendly production practices. The responses received indicate that quality assured and welfare friendly production practices play a full part in the tender specifications laid down by public procurement bodies.

We believe that the most effective way to achieve change in the practices of reluctant local councils and health and education authorities is for contact to be made at the local level, both by the industry and by local MPs.

On those occasions where contact has been made, it seems to have had a positive effect. My right hon. Friend intends, therefore, to write to all MPs actively encouraging them to make contact with public authorities in their constituencies and invite those authorities to take British welfare and quality standards into account when procuring pork and pork products.

Miss McIntosh: To ask the Minister of Agriculture, Fisheries and Food if the Government will introduce regulations to impose the same standards of traceability and quality assurance on imported pigmeat products as apply to UK-produced pigmeat. [88856]

Mr. Rooker: The Government have no powers to do so. It is also questionable whether such an imposition would be in the interests of the UK pig industry as it could forgo the possibility of obtaining a premium in the market.

Miss McIntosh: To ask the Minister of Agriculture, Fisheries and Food (1) if the Government will cover the cost to pig farmers of offal and waste disposal; and if he will make a statement; [88852]

(2) if the Government will restore rendering subsidies for the UK pig industry. [88853]

Mr. Rooker: There are no plans to do so.

Climate Change Levy

Mr. Pearson: To ask the Minister of Agriculture, Fisheries and Food what estimate he has made of *(a)* the cost of the climate change levy to his Department and *(b)* the savings from the reduction in national insurance contributions that will occur when it is introduced. [88865]

Mr. Morley: The net impact of the climate change levy and the associated reduction in main rate of employers' National Insurance Contributions on this department will depend on the rates of climate change levy. The final rates of climate change levy will not be set until Finance Bill 2000.

In addition, the Government are still considering a number of detailed issues on the tax treatment of different energy products which could have a significant impact in some instances. It is therefore not possible to give definitive figures about the impact of the climate change levy on this department.

Organophosphorous Sheep Dips

Mr. Blizzard: To ask the Minister of Agriculture, Fisheries and Food when the report by the Institute of Occupational Medicine in Edinburgh into the effects of exposure to organophosphorous sheep dips will be published. [89848]

Mr. Rooker: The Institute of Occupational Medicine (IOM) is today publishing its report on the effects of exposure to organophosphorous sheep dips.

The report identifies handling of OP sheep dip concentrates as the main source of potential exposure. It suggests that the identified exposure to concentrates was associated with an increased likelihood of ill-health in the groups studied.

The report is being submitted immediately for consideration by the OP Working Group of the Committee on Toxicity of Chemicals in Food, Consumer Products and the Environment (COT) which is reviewing the evidence on the possible ill-health effects of OPs. We expect to receive advice from COT, and from the other independent expert advisory committees on the implications of the COT advice, by the end of the year.

In addition, I have asked the Veterinary Products Committee and the Advisory Committee on Pesticides to consider urgently, in advance of the COT advice, whether the report has any immediate implications for approvals of OPs or whether further measures are necessary.

I have also written today to representatives of manufacturers seeking a meeting within the week to discuss what action they will be proposing in response to the report.

I am placing copies of the report in the Library of the House.

Countryside Access Scheme

Mr. McNulty: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement about closure of the Countryside Access Scheme. [89849]

Mr. Morley: I am announcing today that the Countryside Access Scheme will be closed to new applications. This pilot agri-environment scheme provided public access to set aside land. Public access to farmland will continue to be available under the Countryside Stewardship and Environmentally Sensitive Areas schemes, which provide more comprehensive incentives for farmers to provide access.

All existing CAS agreements will continue until the end of their five year terms. At the expiry of their agreements, farmers will be offered the opportunity to apply for agreements under the Countryside Stewardship Scheme. Those which provide good quality opportunities for public access will be offered agreements.

HEALTH

Junior Doctors

Dr. Harris: To ask the Secretary of State for Health (1) if he will make a statement on the outcome of the BMA survey which asked if junior doctors were prepared to take some form of industrial action regarding the out-of-hours rates of pay and conditions of service; [88068]

(2) what discussions he is having with the BMA's Junior Doctors' Committee about improving the hourly rates paid to junior doctors for their work at night, weekends and bank holidays. [88067]

Mr. Denham: Pay rates for junior doctors, including rates for out-of-hours work, are decided on the basis of recommendations by the independent Doctors' and Dentists' Pay Review Body (DDRB). Their 28th Report, published on 1 February 1999, concluded that

> "there was no need for changes to the existing working patterns of junior doctors and against that background the existing rates of additional duty hours remain appropriate".

I held a positive and constructive meeting on 10 June with the representatives of the Junior Doctors' Committee on a number of issues relating to pay and conditions of service. We agreed that further meetings with officials would be held over the coming weeks.

I value the commitment of all junior doctors working in the National Health Service. However, the threat of industrial action following the recent survey is an appropriate response in the light of that commitment, which can serve only to jeopardise patient care if carried through and is inappropriate for professional staff whose pay is set on the basis of recommendations made by an independent Review Body. Industrial action could undermine the modern staffing initiatives we are seeking to introduce to improve the working lives of junior doctors: shorter working hours, better training opportunities, decent pay levels, higher standards of accommodation and catering facilities and new family friendly employment practices.

Sir Nicholas Lyell: To ask the Secretary of State for Health if he will list *(a)* the health authorities in which junior hospital doctors can be on call and working for periods of (i) 24 hours, (ii) 32 hours, (iii) 36 hours, (iv) 48 hours and (v) any longer continuous period and *(b)* those specialties or areas of hospital medicine in which such hours on call and working most frequently occur. [86707]

Mr. Denham: The information is not available in the format requested.

Ambulance Service

Mr. Moore: To ask the Secretary of State for Health if he will publish his Department's response to the report of the Pensions and Retirement Age Working Group, published by the Ambulance Service Association 1997. [89087]

Mr. Denham *[holding answer 30 June 1999]:* The National Health Service Executive and the National Health Service Pensions Agency have discussed the findings of the report with the Ambulance Service Association. Further work is being done on costing the proposals.

Special Educational Needs

Dr. Cable: To ask the Secretary of State for Health when he expects the Joint Working Group which he set up with the Secretary of State for Education and Employment to improve the provision of therapies for children with special educational needs to complete its work. [87854]

Mr. Hutton: The working group on the provision of speech and language therapy services to children with special educational needs was established in November 1998 and its membership includes representatives of a wide range of interested parties. The working group has met on four occasions to date. Progress and future plans will be reviewed at the group's meeting in November 1999 in the light of preliminary feedback from specially commissioned research into speech and language therapy provision.

Mobile Communications Bases

Dr. Cable: To ask the Secretary of State for Health what research is currently being undertaken or commissioned by the National Radiological Protection Board on the health effects of mobile communications base stations on the neighbouring population. [88108]

Ms Jowell: The National Radiological Protection Board (NRPB) has a programme of research into exposures and possible effects of radiofrequency radiation from mobile phones and base stations. It has carried out field measurements in the vicinity of a number of base stations and it is proposed to extend the measurement database to be representative of a variety of base station locations in the United Kingdom.

Experimental work is in progress to investigate potential effects on learning and memory using low level signals of the type used for mobile telephony. A research programme to investigate the possible induction of chromosome damage in cultured human cells is being developed.

Other work involves computer models derived from medical images of people; these have been used to calculate how electromagnetic fields interact with the body. This work is ongoing.

The NRPB's Advisory Group on Non-Ionising Radiation continues to review research on the health effects of electromagnetic fields and NRPB have been instructed to set up an independent working group to assess the current state of research into the use of mobile phones. The group will be chaired by Sir William Stewart FRS, FRSE. The membership and terms of reference will be announced shortly.

Buprenorphine

Dr. Iddon: To ask the Secretary of State for Health when the FP10(HP)(ad) and FP10(MDA) forms will be amended to include buprenorphine (Subutex), to enable medical practitioners to prescribe the drug on a daily basis for a week by completing one form. [87999]

Mr. Denham: At present I have no plans to add buprenorphine to the list of drugs which may be prescribed by doctors on FP10(HP)(ad) and FP10(MDA) prescription forms.

Beta-interferon

Dr. Iddon: To ask the Secretary of State for Health (1) by what means recipients of Health Service Circular 1999/101 were informed that it had been withdrawn; [88002]

(2) if he will list the recipients of Health Service Circular 1999/101 prior to its withdrawal on 20 April; [88001]

(3) when he proposes to publish a new National Health Service circular on the use of beta-interferon in the treatment of multiple sclerosis to replace Health Service Circular 1999/101; [88191]

(4) if the proposed health service circular on the use of beta-interferon in the treatment of multiple sclerosis will distinguish between its value in treating relapsing/remitting multiple sclerosis and secondary progressive multiple sclerosis. [88190]

Mr. Denham: Advance copies of draft Health Service Circular 1999/999, which was due to be issued on 20 April 1999 as Health Service Circular 1999/101, were sent to the Multiple Sclerosis Society, the three manufacturers of beta-interferon, and the National Health Service (Regional Directors of Public Health and Regional Prescribing Leads, who were invited to forward the draft circular to health authorities).

Owing to concerns expressed by some of the recipients of the draft circular, it was not issued on 20 April. The NHS was informed of this by way of a letter from the NHS Executive's Acting Medical Director, Dr. Sheila Adam. Copies of this letter are available in the Library. I also refer my hon. Friend to the statement made in the House by my right hon. Friend the President of the Council on 22 April 1999, *Official Report*, columns 1055–56.

The Department plans to consult interested parties shortly on a revised draft health service circular on beta-interferon. The contents of the circular that is subsequently issued will take into account comments received during the consultation period.

Jane Griffiths: To ask the Secretary of State for Health what plans he has to make beta-interferon available on the NHS for progressive MS; and what funding is to be made available to health authorities for it. [88737]

Mr. Denham: Beta-interferon may be made available on the National Health Service, but the costs of prescribing it are expected to be met within health authority allocations.

Medicines Control Agency

Dr. Iddon: To ask the Secretary of State for Health how many letters he has received to date *(a)* in support of and *(b)* opposed to the proposed MLX 249 Regulation. [88004]

Ms Jowell: We received six representations broadly supporting the proposals and 610 representations opposing some or all of the proposals during the 12 week consultation period, which ended on 31 January 1999. Since the end of the consultation period we have received several thousand more letters opposing the proposals, many of which were based on a fundamental misapprehension of the content, purpose and effect of the proposals.

Unused Medicines

Mr. Gordon Prentice: To ask the Secretary of State for Health (1) what estimate he has made of the number and value of unopened blister packs of drugs returned to dispensing chemists for the latest year for which figures are available; [88146]

(2) what is the value of medicines returned by patients to dispensing chemists for the latest year for which figures are available. [88147]

Mr. Denham: The information requested is not available centrally.

Organ Transplants

Mr. Gordon Prentice: To ask the Secretary of State for Health how many people received organs for transplant which originated from countries outside the EU in each of the last three years. [88145]

Mr. Hutton: For the period 1 January 1996 to 31 December 1998 there were 10 transplant operations using organs which originated from countries outside the EU. Three were carried out in 1996, two in 1997 and five in 1998.

Mr. Gordon Prentice: To ask the Secretary of State for Health how many organs for transplant were brought into the UK from EU member states; and what percentage came from living donors in the most recent year for which figures are available. [88837]

Mr. Hutton: In 1998, 26 organs for transplant were accepted from hospitals in European Union countries outside the United Kingdom and the Republic of Ireland. Of these, 23 were suitable and subsequently transplanted.

No living donor organs were offered from abroad during 1998.

Accident and Emergency Departments (Staff Security)

Mr. Hoyle: To ask the Secretary of State for Health what measures he is taking to improve security for staff working in accident and emergency departments. [88340]

Mr. Denham: We have initiated the biggest programme of capital investment in accident and emergency services in the history of the National Health Service (a total of £115 million in three quarters of all Accident and Emergency departments). This money should ensure that patients are treated more quickly, more effectively and with greater privacy than ever before, and create safer working conditions for staff.

Tackling violence against staff is a priority area for action. A key objective is that each local employer will, by April 2000, have systems in place to record and monitor the incidents of workplace violence and have published strategies in place to achieve a reduction.

The NHS Executive is also working on a cross-government drive to reduce the incidences of violence against staff. The campaign, which has the support of my right hon. Friend the Secretary of State for the Home Office, my right hon. and noble Friend the Lord Chancellor and my right hon. and learned Friend the Attorney-General. The campaign will be backed up by national guidelines for action including prevention, prosecution, sentencing, good practice and challenging targets. The over-arching message of this campaign will be that violence against staff is unacceptable and that the Government are determined to stamp it out.

Bedford Hospital

Mr. Sayeed: To ask the Secretary of State for Health, pursuant to his oral answer of 30 March 1999, *Official Report*, column 844, if he will meet Dr. Niblett to discuss the number of beds in relation to demand for them at Bedford Hospital. [88184]

Mr. Denham: My right hon. Friend the Secretary of State met Dr. Niblett on 11 February this year and visited the Intensive Care Unit at Bedford Hospital.

Smoking

Dan Norris: To ask the Secretary of State for Health what steps the Government are taking to protect children from the effects of passive smoking in public places. [88214]

Ms Jowell: The White Paper "Smoking Kills" includes a new charter on smoking in public places, agreed by the hospitality industry. We will now negotiate with the industry to work up the detail of a Charter which will ensure that all consumers, including children, are better able to choose whether to eat, drink or socialise in smoky atmospheres. The results will be monitored and we will consider the need for any further action in the light of progress.

Temporary Contracts

Lorna Fitzsimons: To ask the Secretary of State for Health what targets he has set health care trusts for the eradication of temporary contracts; and if he will make a statement. [88392]

Mr. Denham: National Health Service managers need the flexibility to offer temporary or short-term contracts. We want to stop the systematic use of such contracts in the National Health Service, and the National Health Service Executive has made it clear that short-term (fixed) contracts should be offered only where a post is genuinely time limited. The general presumption is that permanent contracts should be the norm.

Influenza Immunisation

Liz Blackman: To ask the Secretary of State for Health (1) what data are required to be collected on influenza immunisations by *(a)* his Department, *(b)* local health authorities and *(c)* regional health authorities; [88778]

(2) what requirements exist for general practitioners to provide data on the number of their patients vaccinated against influenza in risk groups; [88773]

(3) what information is collected on the coverage of the influenza vaccine *(a)* in risk groups and *(b)* for all people over 75 years of age; [88775]

(4) what targets his Department has set for increasing the percentage of people in risk groups receiving influenza vaccinations. [88777]

Ms Jowell: No data are required to be collected but some health authorities collect the information locally. Estimates of national influenza vaccine coverage are made by analysing the General Practice Research Database by risk group and by age. Figures for 1989 to 1997 were published in Health Trends (1998; 30: 51–5), copies of which are available in the Library. Overall uptake in the risk groups was estimated to be about 23 per cent. and varied with age—about 44 per cent. of those over 65 years in a high risk group received vaccine in 1996–97 compared with 13 per cent. of those aged 35–49 years. Figures for the 1998–99 influenza season are not yet available. Targets are not set because of the difficulty of accurately assessing denominators for the risk groups.

Guidance for health authorities on planning for dealing with winter pressures includes the need to increase influenza immunisation uptake in the risk groups. Flu Awareness Week, launched each year at a press briefing held by the Chief Medical Officer, also aims to increase vaccine uptake.

Liz Blackman: To ask the Secretary of State for Health what guidance is given by his Department to local health authorities and general practitioners about running effective influenza immunisation campaigns to target risk groups. [88772]

Ms Jowell: Information for general practitioners and health authorities is given in the United Kingdom Health Departments' memorandum 'Immunisation against Infectious Disease' and in letters and circulars issued by the Department (most recently Professional Letter/Chief Medical Officer/98/4/PL/Chief Nursing Officer/98/6 and Health Service Circular 1998–140), copies of which are available in the Library.

Liz Blackman: To ask the Secretary of State for Health what scientific evidence his Department has evaluated on the success rate of the influenza vaccine in preventing this disease. [88779]

Ms Jowell: Influenza viruses change and different strains predominate from year to year. Each season a new vaccine is produced from strains of virus closely related to those expected to be in circulation. The effectiveness of the vaccine will depend on how well the vaccine strains match the strains of influenza that actually circulate. Effective global surveillance co-ordinated by the World Health Organisation means that in most years there is a good match.

All information on the effectiveness of influenza vaccine in preventing influenza and its complications is reviewed on a regular basis by the Joint Committee on Vaccination and Immunisation, the expert advisory committee that advises the Government on immunisation matters.

Liz Blackman: To ask the Secretary of State for Health what is the unit cost of an influenza vaccination. [88770]

Ms Jowell: The list prices for vaccines are given in the British National Formulary, copies of which are available in the Library. Last season's list prices for influenza vaccine ranged from £5.08 to £5.70 a dose. Prices for the coming season have not yet been announced.

Teenage Pregnancy

Lorna Fitzsimons: To ask the Secretary of State for Health how and when the proposed Sure Start Plus announced in the Social Exclusion Unit report on teenage pregnancy will be piloted; which areas have been chosen; what criteria will be used; and what resources will be available for such pilots. [88670]

Ms Jowell: Roll out of the Sure Start Plus pilots will begin from April 2000. They will be funded from within the Sure Start programme. The areas chosen will be covered by Health Action Zones and have high rates of teenage pregnancy.

Cancer Services

Mr. Paul Marsden: To ask the Secretary of State for Health, pursuant to his answer of 11 June 1999, *Official Report*, column *416*, if he will make a statement on the joint funding by the Royal Shrewsbury Hospital Trust and the North Staffordshire Trust of a cancer specialist. [88724]

Mr. Hutton: The North Staffordshire Hospital National Health Service Trust has recently appointed a clinical oncologist who will also work a number of sessions in the Royal Shrewsbury Hospital NHS Trust joint cancer centre. Manpower issues in respect of the business case for a new linear accelerator at the Royal Shrewsbury Hospital joint cancer centre will be explored more thoroughly within the NHS Executive—West Midlands Regional Office's overall consideration of the business case.

Loughborough General Hospital

Mr. Reed: To ask the Secretary of State for Health, pursuant to his answer of 11 May 1999, *Official Report*, column *133*, when he expects the National Health Service Executive to make a final response to the full business case made by Leicestershire and Rutland Healthcare NHS Trust for the replacement of Loughborough's General Hospital. [88595]

Mr. Denham: The National Health Service Executive provided a detailed response to Leicestershire and Rutland Healthcare NHS Trust about their Full Business Case (FBC) to replace Loughborough General Hospital on 3 June 1999.

The NHS Executive has not been able to make a formal decision on the recommendation of the FBC as further work is required on some key elements of the FBC, including issues relating to the scheme's value for money.

The trust is currently working on responses to the issues raised by the NHS Executive and is to set a timescale for the FBC to be resubmitted. In view of the length of time that it has taken to progress this scheme, the NHS Executive will be having meetings with the trust as a matter of urgency to resolve the above issues and progress the scheme to resolution.

Allergy Clinics

Mr. Swayne: To ask the Secretary of State for Health what plans he has to increase the number of allergy clinics. [88657]

Mr. Hutton: Officials from the Department recently met representatives of the relevant professional and patient representative bodies to discuss the future of allergy services; possible action will be discussed at a follow-up meeting to be arranged. It is, however, the responsibility of individual health authorities to assess the health care needs of their residents and to secure access to a range of services which aim to meet those needs. Each health authority therefore decides how great the need for a local allergy clinic is, based on local priorities and resources.

Dental Services

Audrey Wise: To ask the Secretary of State for Health what steps he is taking to increase the availability of dental treatment on the NHS. [88604]

Mr. Denham: The Government have already taken action to improve the availability of National Health Service (NHS) dentistry through the Investing in Dentistry (IID) and Personal Dental Services (PDS) initiatives. The IID initiative, which ended in April, should give over 650,000 extra patients the opportunity of registering with an NHS dentist. The 15 PDS pilots which began in October 1998, and the 24 new proposals to be developed into pilots for this October, are designed to offer NHS patients a better, more accessible, reliable and higher quality dental service. The Government are now examining options on how best to use the resources available for further improving the availability of dentistry. A dental strategy will be published later this year.

Mrs. Brinton: To ask the Secretary of State for Health when he will publish the NHS strategy for dentistry. [89080]

Mr. Denham: The Government's strategy on National Health Service dentistry will be published later this year.

GP Facilities

Mr. Flight: To ask the Secretary of State for Health what plans he has to discuss with commercial organisations the availability of sites for the development of GP facilities; and if he will make a statement. [88823]

Mr. Denham: Officials regularly have discussions with interested parties, including commercial organisations, about primary care facilities and I am kept informed of developments.

National Donor Register

Mrs. Gillan: To ask the Secretary of State for Health what mechanism is in place to target those people aged 18 years to go on the National Donor Register. [88713]

Mr. Hutton *[holding answer 28 June 1999]:* Our continuing national and local publicity campaigns encourage people to join the NHS Organ Donor Register, to carry the Donor Card at all times and, most importantly, make their wishes known to their family and friends. The campaigns have been designed to reach people of all ages.

While there is no specific mechanism for targeting 18-year-olds, people can register when applying for driving licences and this is one of the major routes onto the register. A high proportion of such driving licence applications are from first time applicants in the 17–21-year-old age group.

Hospital Food

Helen Jones: To ask the Secretary of State for Health what estimate he has made of the number of hospital trusts which have in place a system of quality control for

hospital food; and what advice his Department has given to trusts on the introduction of such quality control systems. [88866]

Mr. Denham: The information requested is not available centrally.

Guidance on delivering a quality catering service and improving nutrition standards has been issued to the National Health Service in recent years to ensure that food and eating are seen as an important part of patient care. All NHS trusts have been asked to adopt a recommended framework for auditing and monitoring performance to ensure consistent standards.

Climate Change Levy

Mr. Pearson: To ask the Secretary of State for Health what estimate he has made of *(a)* the cost of the climate change levy to his Department and *(b)* the savings from the reduction in national insurance contributions that will occur when it is introduced. [88858]

Mr. Denham: The net impact of the climate change levy and the associated reduction in the main rate of employers' National Insurance Contributions on the Department will depend on the rates of climate change levy. The final rates of climate change levy will not be set until the Finance Bill 2000.

In addition, the Government are still considering a number of detailed issues on the tax treatment of a number of different energy products which could have a significant impact in some instances. It is therefore not possible to give definitive figures about the impact of the climate change levy on the Department.

Xenotransplantation

Mr. Gordon Prentice: To ask the Secretary of State for Health what research he has commissioned into xenotransplantation; and if he will make a statement. [88941]

Mr. Hutton: The Medical Research Council (MRC), which receives its grant in aid from my right hon. Friend the Secretary of State for Trade and Industry, is currently funding two projects related to xenotransplantation:

"Germ-line modification of pig organs for human transplantation" being conducted by the BBSRC Babraham Institute.

"Endogenous retroviruses of pigs and xenotransplantation" being conducted by the Institute of Cancer Research and the MRC National Institute for Medical Research.

The Department is directly funding a further project:

"An investigation into the ability of porcine endogenous retroviruses to infect animals other than pigs" being conducted by the Centre for Applied Microbiology and Research.

The Department is in the process of commissioning two systematic reviews of the published literature covering xenotransplantation. The first review will be looking at physiology, immunology and infection issues; the second covering legal and ethical issues. The reviews, which are expected to take around twelve months to complete, will help to highlight those areas where further research would be beneficial. Recommendations for further research are also included in the recently published United Kingdom Xenotransplantation Interim Regulatory Authority report of the workshop on porcine endogenous retroviruses.

Biomedical Scientists

Mr. Sawford: To ask the Secretary of State for Health if he will list the salary scales for trainee and newly qualified biomedical scientists. [88832]

Mr. Denham: Biomedical scientists are classed as medical laboratory scientific officers (MLSOs) for pay and grading purposes. Their pay scales are attached to a common pay spine for National Health Service Professional and Technical Staff. The current pay scale for trainee MLSOs, effective since 1 December 1998 is:

Spine point	£
00	7,476
01	7,726
02	7,988
03	8,260
04	8,544
05	8,839
06	9,146
07	9,463
08	9,796

The MLSO Grade 1 pay scale is used for newly qualified biomedical scientists. The current pay scale effective from 1 December 1998 is:

Spine point	£
00	11,812
01	12,286
02	12,777
03	13,290
04	13,822
05	14,375
06	14,949
07	15,546
08	16,169
09	16,817
10	17,486

Pay is negotiated in the Professional and Technical Staffs Whitley Council. Staff Side are consulting their members on the NHS Management Side's offer of:

an increase in national pay scales for PTB staff of 3 per cent.

an increase of 13.5 per cent. in London Weighting Allowances which will restore them to 1995 values

additional increases for staff working in cytology screening, with trainee cytology screeners getting 6.6 per cent. and qualified cytology screeners getting up to 11.4 per cent.

additional increases for staff in the MLSO grades, with trainee MLSOs getting up to 26 per cent., and MLSO1s and some MLSO2s getting 7.1 per cent.

If accepted this offer would produce a new pay scale for trainee MLSOs of:

Spine point	£
00	9,420
01	9,747
02	10,090
03	10,443

And a new pay scale for MLSO1s of:

Spine point	£
15	12,655
16	13,160
17	13,689
18	14,237
19	14,806
20	15,397
21	16,012
22	16,654
23	[1]17,322
24	[1]18,011
25	[1]18,734

[1] Employing authorities may advance the position of a grade scale (other than that of a trainee) on the pay spine by up to three points for posts which carry additional responsibilities or require specialist skills but which do not warrant a higher grade.

DTP Vaccine

Mr. Ian Stewart: To ask the Secretary of State for Health what are the costs per batch of the *(a)* whole cell and *(b)* acellular DTP vaccine. [89008]

Ms Jowell: Vaccines are purchased by dose, not by batch. The Department does not publicise the cost per dose of any childhood vaccines, including whole cell DTP, as this information is a commercially confidential part of the procurement process. The only acellular DTP vaccine which is licensed for use in the United Kingdom is made by SmithKline Beecham and has a list price of £11.00 per dose.

Mr. Ian Stewart: To ask the Secretary of State for Health, pursuant to his answer of 16 June 1999, *Official Report*, column *185*, for what reasons the whole cell DTP vaccine is used in the UK, in preference to the acellular vaccine; and if he will make a statement. [89050]

Ms Jowell: Whole cell pertussis vaccine, used in combined DTP vaccine, is used in the United Kingdom because it is the safest and most effective pertussis vaccine available for the UK childhood immunisation programme.

Large vaccine trials in Sweden and Germany have shown that the pertussis whole cell vaccine that we use in the United Kingdom is amongst the most effective available. There is little difference in the level of local reactions and fever seen after use of the UK whole cell vaccine when compared to acellular pertussis vaccines given under the UK immunisation schedule. The protection given by the UK vaccine is as good as the best acellular vaccine tested and better than the rest. There is also some evidence that combining the acellular pertussis vaccine with Hib vaccine, which is given at the same time, may decrease the immune response to Hib which affects its suitability for routine use.

Genetically Modified Pollen

Mr. Baker: To ask the Secretary of State for Health what research he has *(a)* commissioned and *(b)* received into the effect on hay-fever sufferers of the breathing in of genetically-modified pollen. [88874]

Ms Jowell *[holding answer 29 June 1999]:* This Department has not commissioned research into the effect that pollen from genetically modified crops may have on hayfever sufferers, nor has it received any. I have asked the Committee on the Medical Effects of Air Pollutants to take a preliminary look at this issue at the earliest opportunity.

Medicines (Bovine Material)

Mr. Baker: To ask the Secretary of State for Health, pursuant to his answer of 23 June 1999, *Official Report*, column *382*, what estimate he has made of the quantity of vaccines held by manufacturers in whose early stages of manufacture bovine material had been used *(a)* when precautionary measures were introduced in 1989 and *(b)* when European Commission guidelines were issued in 1992. [88957]

Mr. Hutton *[holding answer 29 June 1999]:* None.

Drug-resistant Tuberculosis

Mr. Dalyell: To ask the Secretary of State for Health, pursuant to the letter of 12 January (POH(3) 5437/68), what recent action he has taken to combat drug-resistant TB. [87389]

Ms Jowell *[holding answer 29 June 1999]:* Work to combat drug-resistant and multi-drug resistant tuberculosis is continuing. The United Kingdom has heightened its surveillance of drug and multidrug-resistant tuberculosis through a scheme co-ordinated by the Public Health Laboratory Service (PHLS) through the UK Mycobacterial Resistance Network. Work has also commenced on enhanced surveillance of tuberculosis cases which should improve monitoring. The appointment of Regional Epidemiologists should help towards a more co-ordinated approach. The activities of the PHLS are now co-ordinated through the new Tuberculosis Programme. The PHLS has developed and made available more rapid diagnostic and drug susceptibility tests for tuberculosis, which can be used where there is a presence of risk factors which might predispose towards multidrug-resistant tuberculosis. A report by the Interdepartmental Working Group on Tuberculosis, "UK guidance for prevention and control of the transmission of HIV-related and drug resistant, including multiple drug-resistant, tuberculosis", was published in September 1998.

Prodigy Prescribing System

Mr. Bruce George: To ask the Secretary of State for Health (1) if lists of products appearing on the Prodigy prescribing system have been circulated to relevant patients and specialist groups for their views; and what formal consultation process exists in respect of such products; [89104]

(2) what plans he has for the further use of the Prodigy prescribing system by GPs; [89100]

(3) what account the Prodigy prescribing system takes of existing clinical guidelines; [89099]

(4) what consultations his Department has undertaken in respect of the Prodigy prescribing support system in the last two years; [89098]

(5) what method was used to select the products which appear on the Prodigy prescribing system; [89105]

(6) if he will list the members of the selection panel for products on the Prodigy prescribing system; [89102]

(7) what assessment he has made of GPs' views on the Prodigy prescribing system. [89101]

Mr. Denham: The Prodigy decision support system has undergone two research phases, during which it was tested in 183 general practices with around 750 doctors. The results of the research indicated that a large proportion of general practitioners were very interested in having such a tool available for their use. In light of this positive response, a first release version of Prodigy will be made available to any GP who wants it. There will be a third phase of the research project, which will look at the management of chronic disease.

Prodigy is designed to offer good quality, clinically effective advice to GPs. When applying the Prodigy recommendations, doctors should use their discretion and clinical judgment, taking into account individual patient variations and needs. General practitioners remain free to prescribe whichever product they feel is the most appropriate for their patients.

The recommended treatments in Prodigy have been chosen on the basis of clinical effectiveness, safety and appropriateness. Where more than one drug exists with similar clinical effect, or where the benefits of one drug over another are marginal, then cost is brought into consideration. The clinical advice contained in the current release of Prodigy is refined and validated with the assistance of a committee of representatives from the General Practitioners Committee, the Royal College of General Practitioners, the Royal College of Physicians and the Royal Pharmaceutical Society of Great Britain. All were chosen for the personal expertise and qualities they were able to bring to the process. For the longer term, an equally robust process will be set up under the oversight of the National Institute for Clinical Excellence (NICE). Full details of how NICE will take this forward will be published in due course. Prodigy guidance takes full account of existing national or well-recognised guidelines, where these are appropriate to general medical practice. In time, Prodigy will allow easy access to NICE guidance and a swift means of communicating emergency medical messages to GPs, plus information about new drugs, contra-indications and safety alerts.

Patient groups, the pharmaceutical industry and other representative organisations have been consulted throughout the Prodigy project, both on the content of the clinical guidance and on patient information leaflets available as part of the Prodigy system. Each organisation is given the opportunity to comment on new Prodigy recommendations as they are developed and their views are taken into account at the time the recommendations are finalised. These groups will continue to be consulted as Prodigy is made more widely available to GPs over the coming months.

Mr. Bruce George: To ask the Secretary of State for Health what skin products appear on the Prodigy prescribing system; and how they were selected. [89103]

Mr. Denham: A list of the skin products which appear in, or are being considered for inclusion in, the Prodigy guidance on skin conditions, will be placed in the Library. The majority of these dermatology topics have not yet been released to general practitioners as they are undergoing final amendments (the status of each Prodigy guidance topic is indicated in the schedule).

All products are selected on the basis of clinical effectiveness, safety and appropriateness.

Counselling Training

Mr. Paul Marsden: To ask the Secretary of State for Health how much was spent on training medical professionals in counselling and interpersonal and management skills in the last year for which figures are available. [89092]

Mr. Denham: Although training in counselling, interpersonal and management skills is an important component of all stages of medical education, no data are held centrally on the resources devoted to these activities. Decisions on the allocation of resources between different components of training are professional considerations and are not prescribed centrally.

LORD CHANCELLOR'S DEPARTMENT

Young Offenders

Mr. Blizzard: To ask the Parliamentary Secretary, Lord Chancellor's Department what guidelines have been issued to magistrates in respect of the sentencing of young offenders under the Crime and Disorder Act 1998. [88928]

Mr. Vaz: The Government do not issue sentencing guidelines to magistrates. Factual information about the provisions of the Crime and Disorder Act has been provided in accordance with normal practice.

Mr. Blizzard: To ask the Parliamentary Secretary, Lord Chancellor's Department what training has been given to magistrates regarding the sentencing of young offenders under the Crime and Disorder Act 1998. [88929]

Mr. Vaz: It is the responsibility of individual Magistrates Courts' Committees (MCCs) to provide training to the magistrates in their area. The Judicial Studies Board has provided training materials for those provisions of the Crime and Disorder Act 1998 which are currently being piloted. These materials are being evaluated and will be issued to all MCCs in time for the piloted provisions being introduced nationally.

Written Answers to Questions

Friday 2 July 1999

NORTHERN IRELAND

Arms Decommissioning

Mr. William Ross: To ask the Secretary of State for Northern Ireland what is the cost to date of implementing the provisions of the Northern Ireland Arms Decommissioning Act 1997. [88811]

Mr. Ingram: It is not possible to give the exact total cost to date as the expenditure incurred by the Independent International Commission on Decommissioning is shared with the Irish Government. To date, the British Government have contributed £1,099,439, which represents approximately 50 per cent. of the total cost.

Visitor Statistics

Mr. Fearn: To ask the Secretary of State for Northern Ireland how many *(a)* Holiday Visitors and *(b)* Business Visitors to Northern Ireland from (i) Great Britain, (ii) the Republic of Ireland and (iii) the rest of the world there were in the last year for which figures are available. [89130]

Mr. Ingram: During 1998, 277,000 Holiday Visitors came to Northern Ireland, 81,000 from Great Britain, 90,000 from the Republic of Ireland and 106,000 from the rest of the world.

434,000 Business Visitors came in 1998—an estimated 302,000 from Great Britain, 80,000 from the Republic of Ireland and 52,000 from the rest of the world.

CABINET OFFICE

Special Advisers

Mr. Levitt: To ask the Minister for the Cabinet Office what are the increases to the Special Adviser pay bands for 1999–2000; and how many Advisers are in each pay band, by Department. [88645]

Dr. Jack Cunningham: The minima and maxima of the Special Adviser pay bands have each been increased by 2.8 per cent. with effect from 1 April 1999, the same increase as for the Senior Civil Service pay bands. The three pay bands are now:

Pay band	*Scale*
Band A	£26,728 to £46,260
Band B	£41,120 to £61,680
Band C	£55,512 to £78,186

The number of Special Advisers in each pay band is as follows:

Number in bands

Department	*A*	*B*	*C*
No. 10[1]	3	10	7
Agriculture, Fisheries and Food	1	—	—
Cabinet Office[2]	—	2	1
Chief Whip's Office	—	2	—
Culture, Media and Sport	1	1	—
Defence	—	1	1
Education and Employment[3,4]	2	1	—
Environment, Transport and the Regions[5]	—	3	1
Foreign and Commonwealth Office	—	2	—
Health	—	1	1
Home Office	—	2	—
International Development	2	—	—
Leader of the House of Lords	—	2	—
Lord Chancellor's Department	—	—	1
Northern Ireland Office	2	—	—
President of the Council	1	1	—
Scottish Office[6]	—	1	—
Social Security	—	1	1
Trade and Industry	—	2	—
HM Treasury[7,8]	1	1	1
Welsh Office	2	—	—
Total	15	33	14

[1] Plus Jonathan Powell and Alastair Campbell who are paid outside the band structure, and Iain Anderson who is an unpaid Adviser

[2] Plus Keith Hellawell, UK Anti-Drugs Co-ordinator, who is paid outside the band structure

[3] Plus Michael Barber, the Standards and Effectiveness Adviser

[4] Includes two part-time posts; one additional Adviser has been appointed at a salary to be determined

[5] Includes two part-time posts

[6] One additional Adviser has been appointed at a salary to be determined

[7] Plus the three members of the Council of Economic Advisers (two in Band C and one in Band B; one of them part-time)

[8] One additional Adviser has been appointed at a salary to be determined.

HOUSE OF COMMONS

Documents of Record

Mr. Dismore: To ask the Chairman of the Administration Committee if he will make a statement on the extent of use of paper containing acid for (i) the *Official Report*, (ii) House of Commons printed papers and (iii) other House of Commons documents of record; and what assessment he has made of the estimated durability and life expectancy of paper copies of (i), (ii) and (iii). [89112]

Mrs. Roe: The contract for the printing of the House's core documents (including the *Official Report*, Vote Bundle, Bills and Select Committee Reports) specifies the use of acid free paper of archival quality. The paper used has an alkali reserve of a minimum of 2 per cent., and an archival life in excess of 100 years.

Mr. Dismore: To ask the Chairman of the Information Committee what estimate he has made of the durability and life expectancy of paper copies of the *(a) Official Report* and *(b)* other documents of record held by the Library. [89111]

Mr. Allan: For information on the current standards for paper used for the *Official Report* and other House documents of record held by the Library, I refer the hon. Member to the answer given to him today by the Chairman of the Administration Committee, column *284*.

The durability of older documents varies according to age, the type of paper used, the frequency of use and the storage conditions. The Library regularly monitors the condition of these documents and has a programme of conservation. It is aware of a particular problem with acidic paper used from about 1850 to 1950. Older Parliamentary Papers were moved in 1992 to controlled storage conditions in Broad Sanctuary, where there are also reserve volumes of the *Official Report*. The Library is investigating the feasibility of producing a digitised text of older *Official Reports*. As well as giving easy access to the text, this would also reduce use of the paper volumes and so aid their preservation.

INTERNATIONAL DEVELOPMENT

UNHCR

Mrs. Gillan: To ask the Secretary of State for International Development what is the total cash payment in 1999 to date to UNHCR from her Department. [89620]

Mr. Foulkes: The total cash payments made by the Department for International Development (DFID) to United Nations High Commissioner for Refugees (UNHCR) between 1 January and 30 June 1999 amount to £14.66 million. Of this total, we have contributed £7 million to UNHCR's General and Special Programmes, £3 million to a DFID/UNHCR scheme to support NGO Refugee projects, and £4.66 million to specific country programmes and regional appeals.

Departmental Grants

Mr. Sutcliffe: To ask the Secretary of State for International Development what grant support her Department has given to *(a)* the Foundation for International Community Assistance and *(b)* the Small Enterprise Foundation in South Africa. [89416]

Mr. Foulkes: The Department for International Development (DFID) is providing assistance to the Foundation for International Community Assistance (FINCA) in three African countries. The details are as follows:

1. FINCA International in Tanzania: £850,000 between 1999 and 2002
2. FINCA Uganda: £98,000 between 1998 and 1999 (this project is likely to be scaled up if phase 1 is successful)
3. FINCA Malawi: £721,000 between 1998 and 2001

DFID has not received any proposals for support to FINCA in South Africa. My Department has had discussions with the South African Small Enterprise Foundation (SEF) about potential proposals.

DFID has also offered to finance a study to help the Mineworkers Development Agency (MDA; the development arm of South Africa's National Union of Mineworkers) establish a rural banking facility, for micro credit as well as savings. The MDA has held discussions with a number of potential partners in this venture, including FINCA and SEF.

Child Care

Mr. Worthington: To ask the Secretary of State for International Development what plans she has to support child care provision in Romania. [89044]

Mr. Foulkes *[holding answer 1 July 1999]:* We are presently exploring with the Department for Child Protection of the Government of Romania how best we can assist them, taking account of other donor support in this area.

Mr. Worthington: To ask the Secretary of State for International Development what humanitarian assistance her Department has provided to improve child care provision in central and eastern Europe. [89045]

Mr. Foulkes *[holding answer 1 July 1999]:* We financed a Child Care project in Romania between 1995 and 1998. This provided advice on the framing of child care legislation, support for the development of model Centres for Family Support and Child Protection, and assistance at county council (judet) level with the development of sustainable and accountable services to vulnerable children and families. The total cost was about £339,000. The project was managed by the European Children's Trust.

In Bulgaria, we co-financed with the EU (Phare) a project to advise on child care legislation and good practices. We provided £90,000 in 1998 for a three month study visit to the UK by child care practitioners. We have just started a £300,000 project to advise the Ministries of Education, Health and Labour and Social Policy on alternatives to institutional child care. This is being managed by Save The Children Fund.

We are also financing projects in south-eastern Europe to address the problems of refugee children in the region as a result of the Kosovo crisis. For example we have contributed £300,000 to Save The Children Fund for regional programmes, which include non-formal education through local groups and volunteer teachers; £160,000 to Children's Aid Direct for the distribution of school materials and equipment for Kosovo refugees and host communities in Macedonia; and an unearmarked sum of £2.25 million to UNICEF for their activities in the region. UNICF are aiming to improve access to health care and primary education. They have been effective in developing and advocating child friendly spaces in camps and other locations. These spaces provide basic services for children and mothers such as baby care, pre-school, primary school, recreational activities, counselling and basic health and nutrition education.

Through the newly established Humanitarian Assistance Field Office in Pristina, we will continue to identify further areas of support in accordance with the needs of the returning refugees and the displaced people of Kosovo.

TREASURY

VAT

Mr. Maude: To ask the Chancellor of the Exchequer (1) pursuant to his answer of 8 June 1999, *Official Report*, column *289*, regarding discussions with European institutions about VAT on financial services, what his policy is on the application of VAT to financial services; and what position HM Customs and Excise has taken in the consultations with the European Commission on the feasibility of applying VAT to financial services; [86962]

(2) pursuant to his answer of 8 June 1999, *Official Report*, column *289*, regarding discussions with European institutions about VAT on financial services, if he will place a copy of the consultants' report in the Library; [86963]

(3) pursuant to his answer of 8 June 1999, *Official Report*, column *289*, regarding discussions with European institutions about VAT on financial services, if he will list the positions held by the Customs officials who have attended the seminars and the conference organised by the European Commission; where and when the seminars and conference took place; what costs were incurred by the Treasury in attending the seminars and conference; and if he will make a statement. [86964]

Ms Hewitt *[holding answer 17 June 1999]:* The European Commission has been studying the feasibility of applying VAT to financial services, including insurance, since 1993. No proposal has been made. The Government's position is clear: they will not accept any measures which damage British business, jobs and competitiveness. Customs' position in discussions with Commission officials have been consistent with this policy.

Mr. Maude: To ask the Chancellor of the Exchequer (1) if he will estimate the total annual revenue that would be collected if VAT were charged at *(a)* 17.5 per cent. and *(b)* 5 per cent. on the making of arrangements for, or the underwriting of, any security or secondary security; [89595]

(2) if he will estimate the total annual revenue that would be collected if VAT were charged at *(a)* 17.5 per cent. and *(b)* 5 per cent. on the operation of any current, deposit or savings account as defined in subsection 8, Group 5, Schedule 9 (Exemptions) of VAT Notice 701/39 part 2. [89594]

Dawn Primarolo: It is not possible to provide the requested estimates due to insufficient data being available on these specific financial activities.

Mr. Maude: To ask the Chancellor of the Exchequer if he will estimate the total annual revenue that would be collected if VAT were charged at *(a)* 17.5 per cent. and *(b)* 5 per cent. on the making of any arrangements for (i) the issue, transfer or receipt of, or any dealing with, money, any security for money or any note or order for the payment of money, (ii) the making of any advance or the granting of any credit, (iii) the provision of the facility of instalment credit finance in a hire-purchase, conditional sale or credit sale agreement for which facility a separate charge is made and disclosed to the recipient of the supply of goods and (iv) the provision of administrative arrangements and documentation and the transfer of the title to the goods in connection with the provision of the facility of instalment credit finance in a hire-purchase, conditional sale or credit sale agreement for which facility a separate charge is made and disclosed to the recipient of the supply of goods if the total consideration therefore is specified in the agreement and does not exceed £10. [89596]

Dawn Primarolo: Insufficient data are available to provide the estimates sought, as I explained to the right hon. Gentleman in my written answer of 30 June 1999, *Official Report*, columns *226–27*.

Withholding Tax

Sir Michael Spicer: To ask the Chancellor of the Exchequer if the commitments he has made with respect to the withholding tax will apply to all forms of savings in addition to eurobonds. [89567]

Dawn Primarolo: We have made it very clear that the draft Directive on savings in its current form is unacceptable because of its likely impact on our financial markets. The Conclusions of the ECOFIN Council meeting on 1 December 1997 record that the United Kingdom considers the Directive should not apply to eurobonds and other similar instruments.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Departmental Car Pool

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions how many cars are available for the use of *(a)* his Department's Ministers, *(b)* his Department's officials and *(c)* executives and officials of his Department's non-Governmental bodies and agencies. [88087]

Mr. Prescott: As at July 1998, my Department owned or leased the following number of motor vehicles:

	No. of vehicles
(a) Ministers	[1]8
(b) DETR (Central)	27
(c) Agencies	564
(d) Government Offices for the Regions	80
Total	679

[1] Leased from GCDA

Information is not available centrally in respect of vehicles owned or leased by the Departments non-departmental public bodies and other associate bodies.

Environment Agency Car Pool

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions how many cars are owned or leased for use by members and employees of the Environment Agency. [88090]

Mr. Meacher: 237 cars are owned by the Environment Agency and 2,500 cars are leased.

Euro Preparations

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions (1) what budget *(a)* his Department, *(b)* the regional offices and *(c)* the Regional Development Agencies have for preparations for the euro; [88095]

(2) what action is being taken by *(a)* the Regional Development Agencies and *(b)* his Department to prepare businesses for the introduction of the euro. [88096]

Mr. Prescott: Following the publication of the Government's Outline Changeover Plan, my Department is considering what preparations may be necessary for the introduction of the euro as far as its own areas of responsibility are concerned. Beyond this, my Department and the Government Offices for the Regions have no specific budget for euro preparations, neither do the Regional Development Agencies.

Government advice for business on the implications of the introduction of the euro in the eurozone countries is co-ordinated by HM Treasury. Government support includes the setting up of 12 regional euro fora, in which the Government Offices for the Regions were involved and in which the Regional Development Agencies have been invited to participate.

EU Environment Council

Mr. Maclean: To ask the Secretary of State for the Environment, Transport and the Regions if he will publish the latest agenda of the Environment Council of 24–25 June prior to the meeting. [88169]

Mr. Meacher: I refer the right hon. Member to the answer I gave on 23 June 1999, to my hon. Friend the Member for Blaenau Gwent (Mr. Smith), *Official Report*, columns *405–06*, which lists the proposals due for discussion at the Environment Council in Luxembourg on 24–25 June. Apart from the proposals listed in my earlier answer, the following items were also on the agenda:

Report on the Protocol on biosafety:

Procedure

Commission Communication to the Council and the European Parliament on the internal market and the environment:

Presentation

Commission communication to the Council and the European Parliament: "Preparing for implementation of the Kyoto Protocol":

Presentation

Other business:

(a) Conference on organic farming (Vienna 27 and 28 May 1999) Commission Statement

(b) Best environmental protection practices in other policies (Seminar in Bonn 25 May 1999): Briefing by the German Delegation

London Underground

Mr. Woodward: To ask the Secretary of State for the Environment, Transport and the Regions when he was first informed that the engineering works on the Circle line might necessitate the suspension of the Circle line service. [88429]

Ms Glenda Jackson: The Circle line service is not suspended. London Underground (LU) continues to operate services at all Circle line stations. Where possible, they are running extra trains on other lines to minimise passenger disruption.

LU first informed officials in my Department in November 1997 that engineering works might necessitate the closure of the Circle line between High Street Kensington and Gloucester Road stations.

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions what are the closure dates for *(a)* the Circle line and *(b)* the Northern line. [88603]

Mrs. Liddell: Engineering works between High Street Kensington and Gloucester Road, which are preventing a normal Circle line service from operating, began on 12 June 1999 and will continue to 16 August 1999. The Northern line City branch will be closed between Moorgate and Kennington from 3 July 1999 to 5 September 1999.

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions what plans have been made to provide alternative public transport for people who normally use the Northern and Circle lines. [88493]

Mrs. Liddell: Although engineering works are disrupting services, all Circle line stations remain open. London Underground are operating additional services on the Hammersmith & City and Metropolitan lines, along part of the route where Circle line services usually run, and a normal District line service along most of the rest of the Circle line. Additional buses are also running on routes 16, 23 and 52. Underground tickets and passes are valid on these buses.

While the Northern line City branch is closed between Moorgate and Kennington, a rail replacement bus service will operate and there will be also be an enhanced service on the 133 bus which runs along the route. In addition, there will be a 15 per cent. increase in services on the Northern line Charing Cross branch. Alternative routes will be advertised and extra station staff will help to keep passengers informed.

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of London Underground's planned investment in (i) 1999–2000, (ii) 2000–01 and (iii) 2001–02. [88492]

Mrs. Liddell: London Underground's planned investment for these years is currently under review.

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions how many trains were *(a)* cancelled and *(b)* more than 10 minutes late on the Underground in the last available month. [88489]

Mrs. Liddell: Between 2 May and 29 May, 1,258 trains were cancelled or withdrawn from service and 239 trains were delayed for more than 10 minutes.

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions what proportion of and how many tube travellers used *(a)* the Circle line and *(b)* the Northern line in each of the last six months for which figures are available. [88488]

Mrs. Liddell: As all stations served by Circle line trains and many served by Northern line trains are also served by other lines, London Underground (LU) are not able to provide detailed line specific information in the format requested.

However, LU estimate that 220,000 passengers use the Circle line and 540,000 use the Northern line on a typical weekday—6.2 per cent. and 15.5 per cent. of total network traffic respectively.

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions which tube lines other than the Circle and Northern lines London Underground proposes to close during the next 12 months. [88487]

Mrs. Liddell: London Underground (LU) proposes to close the Victoria line between Brixton and Victoria stations from 23 October until 7 November 1999. The Bakerloo line will be closed between Queens Park and Harrow and Wealdstone stations between 23 and 31 October 1999 while Railtrack, who own this section of the track, carry out engineering work. And LU are planning to close the District line between High Street Kensington and Earl's Court stations in June 2000 for approximately 10 weeks.

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions when he was first informed that London Underground might have to close *(a)* the Circle and *(b)* the Northern line; and what meetings he held about these potential closures. [88486]

Mrs. Liddell: London Underground (LU) first informed my Department in November 1997 and September 1998 respectively that engineering works might necessitate the closure of the Circle line between High street Kensington and Gloucester Road stations and the Northern Line City Branch between Moorgate and Kennington stations.

I met the managing director of London Underground to discuss these closures on 23 June 1999. Issues such as these closures are also discussed by my hon. Friend the Minister for Transport in London when she meets each month with the managing directors of London Underground and London Buses.

Car Parks (Tube Stations)

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to encourage increased provision of commuter car parking at tube stations. [88490]

Mrs. Liddell: London Underground is working to provide more commuter car parking at Underground stations and expect to increase the number of parking spaces by more than 10 per cent. before the end of 2000.

European Communities Working Groups

Mr. Bercow: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the European Communities working groups which met over the last 12 months with a representative from his Department in attendance; if he will list the number of times each met; if he will indicate the nature of the Government's representation; and if he will make a statement. [88479]

Mr. Meale: I refer the hon. Member to the answer of 18 June 1999, *Official Report*, column *255*, given by the Minister of State, Foreign and Commonwealth Office, my right hon. Friend the Member for Gateshead, East and Washington, West (Ms Quin).

Rail Industry (Subsidies)

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what was the subsidy *(a)* per kilometre and *(b)* per passenger given to the rail industry within each European Union country in the last year for which figures are available. [88634]

Ms Glenda Jackson *[holding answer 29 June 1999]:* The Department does not have the requested information.

Jubilee Line Extension

Mr. Peter Ainsworth: To ask the Secretary of State for the Environment, Transport and the Regions how many man hours have been lost on work on the Jubilee Line Extension on average per month since 1 January owing to interruptions from unnecessary use of the fire alarm system. [89398]

Ms Glenda Jackson: Approximately 700 hours on average.

Coastguard (Donaldson Report)

Mrs. Curtis-Thomas: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 28 June 1999, *Official Report*, column *22*, on Lord Donaldson's report on the Maritime and Coastguard Agency, if the report will be made available to the public. [89395]

Ms Glenda Jackson: In accordance with his terms of reference, Lord Donaldson will be giving his advice to the Deputy Prime Minister and will do so shortly. The decision on whether to publish his advice will be taken after it has been received.

Strategic Rail Authority

Mr. Martlew: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to introduce legislation establishing a strategic rail authority. [90055]

Mr. Prescott: We are making good progress in relation to the proposals for a Strategic Rail Authority and in making railway regulation more effective and accountable. The shadow Strategic Rail Authority has been operational from 1 April, and the new Rail Regulator takes up his appointment next week. We hope to introduce a Railways Bill shortly.

DEFENCE

3rd Battalion Parachute Regiment

Mr. Duncan Smith: To ask the Secretary of State for Defence what is the current strength of 3rd Battalion Parachute Regiment. [88127]

Mr. Doug Henderson *[holding answer 24 June 1999]:* The strength of the 3rd Battalion Parachute Regiment, including all attached Arms, as at 1 May 1999 is shown

in the table. The figures are for UK Trained Personnel only, and exclude locally employed personnel, Royal Irish (Home Service) personnel, those reservists mobilised for duties associated with Bosnia and full time reserve personnel.

3rd Battalion Parachute Regiment	*Strength*
Royal Armoured Corps[1]	1
Royal Engineers[1]	1
Infantry[2]	3
Parachute Regiment	430
Royal Logistic Corps	20
Royal Army Medical Corps	3
Royal Electrical and Mechanical Engineers	22
Adjutant General's Corps (Staff and Personnel Support)	23
Army Physical Training Corps	1
Total	504

[1] Officers and Soldiers on attachment to the 3rd Battalion Parachute Regiment
[2] The figures for Infantry personnel include all those whose cap badge is of another Infantry Regiment

Learning Forces Initiative

Mr. Ottaway: To ask the Secretary of State for Defence how much has been spent on the Learning Forces initiative; and what is the forecast expenditure for each of the next five years. [88701]

Mr. Doug Henderson: As part of the Strategic Defence Review, the Learning Forces initiative substantially increased provision to assist service personnel with their personal development. This reflects our determination that the armed forces benefit fully from the Government's commitment to lifelong learning. Additional provision in the current financial year is some £10 million.

Armed Forces Personnel

Mr. Ottaway: To ask the Secretary of State for Defence how many personnel have *(a)* left and *(b)* joined the (i) Army, (ii) Navy and (iii) RAF in the last two years for which figures are available. [88704]

Mr. Doug Henderson: The table show the information requested.

	1 April 1997 to March 1998	*1 April 1998 to 1 March 1999*
(a) Outflow of UK Regular Forces		
Naval Service	5,271	5,531
Army	14,378	17,015
Royal Air Force	4,609	4,898
Total	24,258	27,444
(b) Intake to UK Regular Forces from civilian life		
Naval Service	4,600	4,767
Army	15,379	16,963
Royal Air Force	3,526	4,246
Total	23,505	25,976

Royal Hospital, Haslar (Orthopaedic Surgeons)

Mr. Viggers: To ask the Secretary of State for Defence how many orthopaedic surgeons are currently serving at the Royal Hospital, Haslar; and of these, how many have given notice of their intention to leave the Armed Forces. [88338]

Mr. Doug Henderson *[holding answer 25 June 1999]:* Of the six Service orthopaedic surgeons currently serving at the Royal Hospital, Haslar, five have applied to leave the Armed Forces.

Armed Forces Civilian Ports (Recruitment)

Mr. Ottaway: To ask the Secretary of State for Defence how much has been spent in each year since 1989 on recruitment for *(a)* the Army, *(b)* the RAF, *(c)* the Royal Navy and *(d)* Ministry of Defence civilian posts; and what is the planned expenditure for the next five years. [88705]

Mr. Doug Henderson: Figures for the Armed Forces are available only from 1990–91. The cost of recruitment, including the recruiting organisations, in each of the Services, since 1990–91 is as shown. Total Army recruitment costs for the year 1990–91 are not available as they cannot be identified separately.

£ million

Year	*Naval Service*	*Army*	*RAF*
1990–91	23.48	n/a	26.33
1991–92	26.83	42.20	27.98
1992–93	19.00	42.60	27.45
1993–94	21.10	48.61	27.60
1994–95	19.50	45.91	27.87
1995–96	21.88	56.20	26.88
1996–97	21.57	49.80	25.88
1997–98	25.04	59.55	29.73
1998–99	28.07	49.96	30.47

Expenditure on recruitment to the Services is expected to continue at broadly comparable amounts over the next five years.

The table shows the Departmental civilian recruitment expenditure for advertising only, plus all elements of fast stream recruitment, together with forecast expenditure for the next five years. Actual costs prior to 1997–98 are not fully available.

£ million

Year	*Expenditure*
1997–98	4.56
1998–99	4.80

Expenditure on civilian recruitment is expected to continue at broadly comparable amounts over the next five years.

Death and Serious Injuries

Mr. Livsey: To ask the Secretary of State for Defence how many *(a)* deaths and *(b)* serious injuries occurred during (i) territorial, (ii) regular units and (iii) special forces training in the Brecon Beacons and Epynt Range between 1974 and 1999. [88937]

Mr. Doug Henderson: I regret that the information requested is not held centrally and could be provided only at disproportionate cost. I can confirm, however, that there were 141 deaths and 14,441 injuries in the UK resulting from training and exercises during the last 20 years.

Service Families

Mr. Ottaway: To ask the Secretary of State for Defence how many meetings have been held by the Service Families Task Force Ministerial Working Group. [89026]

Mr. Doug Henderson *[holding answer 29 June 1999]:* There has been one meeting of the Ministerial Group thus far. I wrote to my colleagues on the Ministerial Group on 1 June 1999 reviewing progress to date and giving notice of the next meeting, which I will be chairing shortly.

Mr. Ottaway: To ask the Secretary of State for Defence how many meetings of the Families Forum have taken place; and on how many occasions the Forum is scheduled to meet in the next year. [89025]

Mr. Doug Henderson *[holding answer 29 June 1999]:* I chair the Families Forum which is attended by the Chairs of the three Service Families Associations. The first meeting of the Families Forum took place on the 22 April 1999. This was the day after the Charter of Royal Navy and Royal Marines Families Association was signed. It is anticipated that the Forum will meet about twice a year and the next meeting is planned for the autumn.

In between meetings of the Families Forum, the Chairs of the Service Families Associations have regular contact with my officials. They were last briefed on the progress of the Task Force on 16 June 1999.

Mr. Ottaway: To ask the Secretary of State for Defence how much has been spent on the Service Families Task Force; and what is the planned expenditure for each of the next five years. [88702]

Mr. Doug Henderson: The Service Families Task Force was created to address those problems, caused by the mobility of Service families, outside the direct control of the MOD. These are largely concerned with access to education, health and employment services which can be resolved only through joint action with other Government Departments.

There have been no new or additional costs to the Departmental budget caused by the creation of the Service Families Task Force. No additional expenditure is planned. The provision of support to the Task Force has fallen within the normal work of the Department.

Young Soldiers

Mr. McGrady: To ask the Secretary of State for Defence what is the policy of the Government in respect of *(a)* the recruitment of soldiers aged under 18 years and *(b)* their use in situations of conflict. [89127]

Mr. Doug Henderson: The minimum age of entry to the regular UK Armed Forces is 16 years. All young people under the age of 18 who volunteer to enlist must first obtain the written consent of their parents or guardians and great care is taken to ensure that young people understand precisely the nature of the commitment they are making. In respect of deployment, I refer the hon. Member to the answer I gave on 22 October 1998, *Official Report*, column 1161, in which I stated that in future only service personnel over the age of 17 years would be deployed.

Armed Forces (Under-18s)

Mr. Menzies Campbell: To ask the Secretary of State for Defence how many members of *(a)* the Royal Navy, *(b)* the RAF and *(c)* the Army were under 18 years of age on 23 June; and what percentage of force numbers this represents. [89039]

Mr. Doug Henderson *[holding answer 30 June 1999]:* At 1 June, the latest date for which information is available centrally on all three services:

992 Naval Service personnel (Royal Navy and Royal Marines) were under 18 years of age, 2.3 per cent of the total strength.

4,991 Army personnel were under 18 years of age, 4.5 per cent. of the total strength.

438 RAF personnel were under 18 years of age, 0.8 per cent. of the total strength.

Defence Evaluation and Research Agency

Sir Michael Spicer: To ask the Secretary of State for Defence when he will answer the question of 15 June tabled by the hon. Member for West Worcestershire on the public/private partnership proposals for DERA (ref. 87372). [89599]

Mr. Spellar: I answered the hon. Member's question on 30 June 1999, *Official Report*, columns *158–59*.

TRADE AND INDUSTRY

RDX Explosives

Mr. Harvey: To ask the Secretary of State for Trade and Industry, pursuant to his answer of 26 May 1999, *Official Report*, columns *200–01*, what export licences his Department has issued since September 1998 for explosives which have RDX as a component part; and how many applications are pending. [87954]

Dr. Howells: By the term in my earlier answer "RDX in its its raw form", the intended meaning was "RDX or explosives containing RDX, not incorporated into other products such as ammunition or missiles." All of the licences and pending applications listed in my answer of 26 May 1999, *Official Report*, columns *200–01*, covered explosive mixtures containing RDX as a component at a range of concentrations.

However, I regret that there were two errors in my answer of 26 May. Three (rather than two) of the Standard Individual Export Licences (SIELs) issued between 1 September 1998 and 6 May 1999, and covering goods with a rating of ML8 covered RDX in its raw form; the additional licence covered exports to the United States. Six (rather than seven) of the applications for such licences pending a decision as at 6 May covered RDX in its raw form; that one mentioned as covering an export to Japan did not in fact cover RDX.

Mr. Harvey: To ask the Secretary of State for Trade and Industry, pursuant to his answer of 26 May 1999, *Official Report*, columns *200–01*, if the destinations of the four pending licences for export of goods rated ML8 to the USA are private companies. [87953]

Dr. Howells: The US Government is the stated end user on three of the applications concerned. Licences have now been issued in respect of two of these applications; the third is still pending.

The US Government is the stated end user of the goods covered by the fourth application, although in this case the goods are first to be exported to a private company in the United States for explosives production. This application too is still pending.

Anti-personnel Landmines

Mr. Harvey: To ask the Secretary of State for Trade and Industry what assurances his Department seeks to ensure that explosives exported from the United Kingdom are not used in the production of anti-personnel landmines. [87956]

Dr. Howells: Licences to export arms or other goods controlled for strategic reasons are issued by the Secretary of State for Trade and Industry, acting through the Export Control Organisation of the Department of Trade and Industry. All relevant individual licence applications are circulated by the DTI to other Government departments with an interest, as determined by these departments in line with their policy responsibilities. These include the Foreign and Commonwealth Office, the Ministry of Defence and the Department for International Development.

If, when an application is being considered, the Export Control Organisation of my department is advised that additional information is required, for example specific supplementary end-use assurances, the applicant is informed and the decision on their application is taken in light of the information subsequently received.

All applications for licences to export goods entered in Part III of Schedule 1 to the Export of Goods (Control) Order 1994 are assessed against the criteria announced by my right hon. Friend the Secretary for State for Foreign and Commonwealth Affairs on 28 July 1998, *Official Report*, columns 26–29, and the European Union Code of Conduct on Arms Exports.

Climate Change Levy

Dr. Kumar: To ask the Secretary of State for Trade and Industry if he will calculate the comparative costs of *(a)* electricity and *(b)* gas in (i) the United Kingdom, (ii) the United States of America and (iii) the EU (1) before and (2) after the Climate Change Levy is introduced; and if he will make a statement. [88105]

Mr. Battle: The latest year for which international prices are available is 1997. Average industrial electricity and gas prices are as shown in the table. The final Climate Change Levy will not be set until the Finance Bill 2000, and the Chancellor has made it clear that significant discounts will be made available to energy intensive users who agree measures for improving energy efficiency.

Pence per kWh

	Electricity 1997	*Gas 1997*
United Kingdom	3.95	0.52
United States	2.67	0.71
European Union[1,2]	3.97	0.88

[1] A simple arithmetic average of prices in the EU countries.
[2] EU figures include taxes where not refunded; US electricity prices exclude taxes but gas prices include taxes.
Source:
Derived from the International Energy Agency publication, Energy Prices and Taxes Q2 1998 and DTI, Energy Trends.

European Structural Funds

Mr. Wigley: To ask the Secretary of State for Trade and Industry how much funding has been received from European structural funds over the past five years by *(a)* each of the regions of England, *(b)* Wales, *(c)* Scotland and *(d)* Northern Ireland. [89188]

Mr. Wills: European structural funds allocations for the years 1994–98 are given in the table. They are for objectives 1, 2, and 5b in the United Kingdom. Allocations for the Community Initiatives and for the objectives 3, 4 and 5a are given separately because they are national programmes.

United Kingdom structural funds

	Million euro
Allocations 1994–98: Objective 1, 2 and 5B—1998 prices	
England: of which	
East Midlands	207
Eastern Region	53
London	143
North East	594
North West[1]	1,491
South East	27
South West	247
West Midlands	651
Yorkshire and The Humber	580
England (total)	3,993
Wales	494
Scotland	1,096
Northern Ireland	1,049
Total UK	6,632
National programmes: UK allocations—1994–99	
Objective 3	3,202
Objective 4	248
Objective 5a	212
Community Initiatives	1,513
Total National Programmes	5,175

[1] Includes Northern Uplands 5b SPD, which also covers areas of North East and Yorkshire and The Humber

Assisted Areas

Mr. Wigley: To ask the Secretary of State for Trade and Industry what plans the Government have to introduce operating aid to assist the viability of commercial and industrial concerns in Assisted Areas; and if he will make a statement. [89183]

Mr. Wills: I have no such plans. The Government will, however, continue to offer selective financial assistance to firms investing in the Assisted Areas and creating or safeguarding jobs.

Mr. Wigley: To ask the Secretary of State for Trade and Industry when he expects to announce the Government's proposals for new regional selective assistance maps and regulations; and if he will take steps to expedite this matter. [89257]

Mr. Wills: The Government will announce their proposals for new Assisted Areas as soon as possible.

Bulgaria

Mr. Gordon Prentice: To ask the Secretary of State for Trade and Industry what steps he is taking to promote trade with Bulgaria. [89302]

Mr. Wilson: My Department is actively involved in a number of initiatives to promote Bulgaria. Earlier this month the London Chamber of Commerce, supported by my Department, took 19 companies to Bulgaria. This was the largest ever trade mission to the market. Companies from the British Nuclear Industries Forum visited Bulgaria last week and my Department is also supporting the Department for the Environment's July mission of water sector companies. We will also be supporting the British stand at the annual Plovdiv Fair in September. Over the last year, we have assisted in strengthening bilateral trade and commercial relations by hosting visits to the UK by the Bulgarian Deputy Prime Minister and the Bulgarian Minister for Trade and Tourism. I had a bilateral meeting in March with the Bulgarian Minister for Trade and Tourism, which was then followed by a well attended business seminar at which we both spoke.

Under the Export Promoter initiative, my Department currently employs a private sector secondee to assist with our efforts to promote trade and investment with Bulgaria.

Companies (Liquidation)

Mr. Loughton: To ask the Secretary of State for Trade and Industry how many firms in the UK have ceased trading since May 1997. [89315]

Dr. Howells *[holding answer 1 July 1999]:* Companies House maintain statistics on the number of companies in liquidation and/or dissolution in England, Wales and Scotland. During the period from 5 May 1997 to 27 June 1999, 105,540 companies were reported as dissolved by means of the voluntary procedures contained in Section 652A of the Companies Act 1985 and 1989. 118,227 were dissolved other than by Section 652A and 38,554 were dissolved following liquidation, making a total of 262,321. As of 27 June 1999, 69,479 companies were in course of liquidation. (The corresponding figure for 4 May 1997 was 76,763.)

Telecom '99 Conference

Mr. Bercow: To ask the Secretary of State for Trade and Industry which Minister in his Department plans to attend the Telecom '99 Conference to be held in Geneva from October 10 to 17. [89419]

Mr. Wills: Telecom '99 is an international trade fair which serves primarily as an opportunity for industry to meet and do business. There are no plans for a DTI Minister to attend this year's event. Officials from the Department will be present to provide support for UK industry members.

Trading Standards

Mr. Laurence Robertson: To ask the Secretary of State for Trade and Industry what powers the trading standards officers have to regulate the provision of services; and if he will make a statement. [89661]

Dr. Howells: Trading standards officers have powers to regulate the provision of services in a variety of sectors and transactions under existing consumer protection legislation. These cover services provided through retail outlets i.e. price marking legislation, legislation with respect to package travel etc. They are also responsible for monitoring the provision of services and transactions which may take place outside the retail environment—i.e. the Trade Descriptions Act, the provision of consumer credit, doorstep selling, time share schemes etc.

CULTURE, MEDIA AND SPORT

Special Advisers

Mr. Matthew Taylor: To ask the Secretary of State for Culture, Media and Sport, pursuant to his answer of 10 May 1999 to the hon. Member for Chichester (Mr. Tyrie), *Official Report*, column *34*, on what dates special advisers from his Department visited the United States of America; which of his special advisers took part in this visit; and if he will list the meetings which these special advisers held with members and officials of the US Government during this visit, specifying the dates and locations of each meeting and the names of the US ministers and officials at each meeting. [88438]

Mr. Chris Smith: From 21 to 25 January 1998, special adviser Mr. John Newbigin visited the USA. He held no meetings with US Ministers or officials, but did meet with my right hon. Friend the Member for Coatbridge and Chryston (Mr. Clarke) and Steve Norris in Los Angeles. He also had meetings with John Calley, CEO of Sony Tristar, Bill Mechanic, CEO of 20th Century Fox, and senior executives at Paramount to discuss the emerging proposals from the Film Policy Review, in particular the idea of the All Industry Fund.

He also had meetings with Jack Valenti and most of the senior staff of the Motion Picture Association, also to discuss the Film Policy Review, and a meeting with Jeff Berg, the CEO of ICM who made his offer to help "sell" the film policy review to the US studios.

He had a presentation by Polygram of their activities in and plans for the US distribution market.

He had meetings with Paul Dimond, the UK Consul-General and with John Houlton to discuss the setting up of the LA Film Office. He attended a dinner at the Consulate to meet senior executives drawn from various sections of the US film industry.

Lottery Sports Funding

Mr. Fearn: To ask the Secretary of State for Culture, Media and Sport if governing bodies of sports currently with a unified Great Britain governing body will need to split into English, Scottish and Welsh bodies in order to have guaranteed eligibility for funding for the World Class Start and World Class Potential programmes from the English, Scottish and Welsh sports councils. [89141]

Mr. Banks: The World Class Potential and World Class Start development programmes have been formulated by Sport England to support young athletes in England. Other home countries have developed their own Lottery Sports Funded talent development programmes. British or UK governing bodies will not need to separate into English, Welsh, or Scottish bodies in order to secure such development funding. They will need to identify the home country of each nominated athlete in order to direct a funding request to the relevant Sports Council.

Mr. Fearn: To ask the Secretary of State for Culture, Media and Sport what are the criteria set by the Government and the United Kingdom Sports Council for sports bodies to be included in the World Class Potential Programme; and on what basis basketball and hang-gliding are excluded. [89140]

Mr. Banks: Both basketball and hang-gliding are eligible to apply for Lottery Sports funding from the World Class Potential Programme. However, as World Class Potential funds are limited it may not be possible to meet the demands from all eligible sports, and priority will be given on the basis of criteria established by Sport England as the statutory distributor of Lottery Funds for Sport.

I understand that Sport England's criteria include: the status of the primary competition; the likely degree of sporting success to be achieved within 10 years; and the significance to the public of both a particular sport and any likely competitive success.

Mr. Fearn: To ask the Secretary of State for Culture, Media and Sport (1) if the new financial directions for the allocation of Lottery funding will permit commercial organisations to obtain funds from the Lottery in order to fund non-commercial sporting activities; [89144]

(2) if, under the terms of the new financial directions for the allocation of Lottery funding, professional sporting bodies will be able to obtain funds for the non-professional side of their game. [89143]

Mr. Banks: Commercial organisations and professional sporting bodies are eligible to receive Lottery funds provided the projects for which Lottery funding is sought are intended to promote the public good, and are not intended primarily for private gain.

Liverpool Philharmonic

Mrs. Ellman: To ask the Secretary of State for Culture, Media and Sport if he will make a statement on funding for the Royal Liverpool Philharmonic Society. [89589]

Mr. Alan Howarth: I am aware of the RLPO's current financial difficulties, and understand that the Arts Council, North West Arts Board and the relevant local authorities are working hard to secure the orchestra's long-term future.

Films

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport what assessment he has made of the percentage of gross box office rentals currently received by film distributors. [89411]

Janet Anderson: My Department does not compile information of this type. However, a recent report prepared by London Economics for my Department estimated that film rentals as a percentage of gross box office ranged between 27 per cent. and 35 per cent. Some popular films may achieve rentals above this range.

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport what discussions have taken place with independent British film distributors regarding the establishment and remit of the Film Council. [89412]

Janet Anderson: Representatives of the independent British film distributors were included in the consultation exercise on my Department's spending review, which covered the establishment and remit of the Film Council. The report of that spending review, and the earlier Film Policy Review, made clear that one of the main objectives of the Film Council will be to assist the development of sustainable industry structures in the area of distribution.

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport what plans he has to ensure that films supported by the National Lottery are released through British-owned distributors. [89407]

Janet Anderson: Future policy on the distribution of Lottery-supported films will be set out in the strategic plan on which the new Lottery distributor, the Film Council, will consult my right hon. Friend the Secretary of State. The Film Council will consider a variety of issues in determining that policy, including the needs of the UK distribution sector; the importance of maximising public access to Lottery-supported films; and the importance of maximising the commercial benefits from the distribution of such films.

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport what plans he has to replace the MEDIA II programme to provide support for independent film distributors. [89410]

Janet Anderson: It is for the European Commission to pub forward proposals for possible changes to the MEDIA II programme for member states to consider. Independent film distributors are eligible to receive support from the current MEDIA II programme to assist the trans-national distribution of European films.

Stonehenge

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the current status of his proposals for Stonehenge. [89434]

Janet Anderson: Our proposals for improving the setting and presentation of the Stonehenge World Heritage Site continue to make excellent progress, thanks to co-operation across Government and the support of English Heritage, the National Trust and other interested parties. On 23 April, my right hon. Friend the Secretary of State formally launched both the Master Plan for the site and the marketing process for development of the proposed new visitor centre. On 25 June, my noble Friend, the Minister for Roads announced the preferred route for the A303 improvement scheme, which will remove traffic from the vicinity of the monument.

Landmark Projects

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport if he will list the Millennium Commission grants paid to date to the Landmark projects; and if he will make a statement. [89399]

Janet Anderson: This is a matter for the Millennium Commission. My right hon. Friend the Secretary of State will write to the hon. Member in his capacity as Chairman of the Commission, and place copies of his reply in the Libraries of the House.

BBC

Mr. Chope: To ask the Secretary of State for Culture, Media and Sport if the conclusions of the panel conducting the review of the future funding of the BBC will be published before Summer Adjournment; and if he will make a statement. [89597]

Janet Anderson: The Panel has been asked to report by 30 July. My Department will publish the report as soon as we receive it.

WALES

Devolved Functions

Mr. Barry Jones: To ask the Secretary of State for Wales (1) if he will make a statement on hill livestock compensation allowances; [89665]

(2) what is his assessment of the prospects for the export of Welsh beef; and if he will make a statement. [89666]

Mr. Jon Owen Jones: These are matters for the National Assembly for Wales.

Rail and Bus Services

Mr. Barry Jones: To ask the Secretary of State for Wales what new measures he is taking to improve *(a)* rail services and *(b)* bus services in Wales; and if he will make a statement. [89669]

Mr. Hain: Rail and bus services regulations in Wales are the responsibility of my right hon. Friend the Deputy Prime Minister and Secretary of State for the Environment, Transport and the Regions.

The National Assembly for Wales is pursuing the development of bus and rail services in Wales.

Education Funding

Mr. Barry Jones: To ask the Secretary of State for Wales (1) what extra moneys he has given to each of the local education authorities of Wales since 1997; and if he will make a statement; [89667]

(2) what amounts of money each of the university colleges received in the last year for which figures are available; and if he will make a statement. [89668]

Mr. Hain: I will write to my hon. Friend as soon as possible and place a copy of my reply in the Library of the House.

AGRICULTURE, FISHERIES AND FOOD

Bovine Tuberculosis

Mr. Paice: To ask the Minister of Agriculture, Fisheries and Food if he will list by county the number of cattle herds with confirmed bovine tuberculosis breakdowns during 1998; how many were ongoing from 1997; and how many were on holdings with no previous breakdowns for 10 years. [87687]

Mr. Rooker: There were 740 new confirmed TB incidents in cattle herds in GB during 1998. The table shows this figure on a county basis. In the time available it has not been possible to identify either those herds in which no previous outbreak of TB has been recorded for 10 years, or how many were ongoing from 1997, but I will write to the hon. Member with the information when it is available.

County	*New confirmed 1997*	*TB incidents 1998*
Avon	10	25
Bedfordshire	0	0
Berkshire	0	0
Buckinghamshire	0	0
Cambridgeshire	0	0
Cheshire	0	2
Cleveland	0	0
Cornwall	74	139
Cumbria	0	1
Derbyshire	1	6
Devon	82	99
Dorset	12	8
Durham	0	0
East Sussex	4	1
Essex	1	0
Gloucestershire	85	132
Greater London	0	0
Greater Manchester	0	0
Hampshire	0	0
Hereford and Worcester	86	116
Hertfordshire	0	1
Humberside	0	0
Isle of Wight	0	0
Isle of Scilly	0	0
Kent	0	0
Lancashire	0	3
Leicestershire	0	1
Lincolnshire	0	1
Merseyside	0	0
Norfolk	0	0
North Yorkshire	0	0
Northamptonshire	0	0
Northumberland	0	2
Nottinghamshire	0	1
Oxfordshire	0	4
Shropshire	7	5
Somerset	27	27
South Yorkshire	0	0
Staffordshire	24	30
Suffolk	0	1
Surrey	0	0
Tyne and Wear	0	0
Warwickshire	0	1
West Midlands	0	1
West Sussex	0	0
West Yorkshire	0	1
Wiltshire	30	34
England total	443	642
Clwyd	0	0
Dyfed	24	53
Gwent	33	25
Gwynedd	0	1
Mid Glamorgen	2	1
Powys	1	9
South Glamorgan	0	1
West Glamorgan	2	4
Wales total	62	94

County	New confirmed 1997	TB incidents 1998
Aberdeenshire	2	1
Angus	0	0
Argyll	0	0
Ayrshire	0	1
Banffshire	0	0
Berwickshire	0	0
Bute	0	0
Caithness	2	0
Clackmannan	0	0
Dumbartonshire	1	0
Dumfriesshire	0	0
East Lothian	0	0
Fife	0	0
Inverness-shire	0	0
Kincardine	1	0
Kinross	0	0
Kircudbright	1	0
Lanarkshire	1	0
Midlothian	0	0
Moray	0	0
Nairn	0	0
Orkney	0	0
Peebles	0	0
Perthshire	1	0
Renfrew	0	0
Ross and Cromarty	0	0
Roxburgh	0	0
Selkirk	0	0
Shetland	0	0
Stirling	0	1
Sutherland	0	0
West Lothian	0	0
Wigtown	1	1
Scotland total	10	4
Great Britain total	515	740

SOCIAL SECURITY

Polyostropathy

Mr. Gordon Marsden: To ask the Secretary of State for Social Security how many claims for benefit under the industrial injuries scheme were refused on the grounds that polyostropathy is not a prescribed condition, in the last three years for which records are available. [88938]

Mr. Bayley: The information is not available. Information is collected only about those diseases prescribed under the scheme.

Departmental Estate (Scotland)

Ms Roseanna Cunningham: To ask the Secretary of State for Social Security if he will list premises owned or rented by his Department and its agencies in Scotland, indicating the purpose of each building. [89078]

Mr. Timms: Early last year all of the Department's buildings throughout the UK, both freehold and leasehold, were transferred to the private sector under two separate Private Finance Initiative deals. We now no longer own or rent any of the buildings. Instead, we purchase serviced accommodation from our two private sector partners, Trillium and the Newcastle Estate Partnership.

The following is a list of all the buildings of which the Department is the main occupant in Scotland. The accommodation is maintained for the purposes of carrying out the business of the Benefits Agency, the Child Support Agency, the Information Technology Services Agency and the Independent Tribunal Service, accordingly.

Benefits Agency

Glasgow Northgate
Glasgow Pentagon Centre
Cumbernauld Fleming House
Dumfries Irish Street
Campbeltown Hall Street
Glasgow Cranstonhill Minerva Street
Largs Brisbane Road
Ayr Wallacetoun House
Stranraer Ashwood Drive
Stornoway Castle Street
Wick Girnigoe Street
Ardrossan Princes Street Ground Floor Office
Glasgow Partick Benalder Street
Fort William Tweeddale
Glasgow Shettleston Road
Glasgow South West Couston-holm Road (Newlands BO)
Alexandria Mitchell Way
Kirkintilloch Townhead
Paisley Lonend
Thurso Traill House
Girvan Montgomerie Street
Glasgow Pollok Nitshill Road
Johnstone Willam Street
Cumnock Glaisnock Street
Glasgow West Regent House
Dingwall Castle Street
Elgin Trinity Road
Glasgow Anniesland Herschell Street
Glasgow Provan Stepps Road
Greenock Dalrymple Street
Edinburgh West Haymarket House
Galashiels Market Street
Stirling St. Ninian's Road
Forfar Castle Street
Dundee Magdalene Yard Road
Arbroath Grant Road
Edinburgh East High Street—Portobello
Lerwick Charlotte House
Dundee Lindsay House
Edinburgh Leith Lyndean House
St. Andrews South Street
Glasgow Corunna House (39) Phase 2
Glasgow Corunna House (29)
Kilmarnock Woodstock Street
Glasgow Craigton Paisley Road West (1479)
Oban Mathieson House
East Kilbride Murray House
Glasgow Bridgeton Muslin Street
Glasgow Rutherglen Mitchell Arcade
Irvine Bank Street
Clydebank Radnor House
Inverness Church Street
Glasgow Blythswood
Glasgow Laurieston House
Benbecula Druim Na H'Airde
Glasgow Springburn Atlas Road
Port Glasgow Scarlow Street
Glasgow Maryhill Road
Alloa Bank Street
Coatbridge South Circular Road
Airdrie Graham Street
Aberdeen Greyfriars House

Bathgate Whitburn Road
Shotts Dyfrig Street
Peterhead Government Buildings
Falkirk Heron House
Leven Walton House
Falkirk Heron House (Portable Accommodation Unit)
Edinburgh Murrayburn House
Hamilton Douglas Street
Blairgowrie Leslie Street
Falkirk The Forum
Edinburgh Argyle House
Cowdenbeath Factory Road
Blantyre DIRC
Motherwell Flemington House
Glenrothes North House
Bellshill Bowling Green St. New Buildings
Montrose Murray Street
Dalkeith Eskdaill St.
Coatbridge Unit 2
Larkhall Union Street
Wishaw Main Street
Dunfermline Merchiston House
Kirkcaldy Victoria Road
Perth Mill Street
Wishaw Alexander Street

Child Support Agency

Falkirk Callendar Park
Falkirk Antonine House

Information Technology Services Agency

Livingston Buchanan House ACC1
Livingston Firth Road Store

Independent Tribunal Service

Glasgow Wellington House

Pensions

Mr. Laurence Robertson: To ask the Secretary of State for Social Security how many complaints the Benefits Agency has received in the past year from people who were not paid their pensions, having reached pensionable age; what discussions he has had with the Benefits Agency about the prompt payment of benefits; and if he will make a statement. [89660]

Mr. Timms: The data requested are not available. In the 10 months up to 31 March 1999, the Benefits Agency target of processing 65 per cent. of its claims within 20 days was met in all but one of the months. Since April, the target has been 95 per cent. processed in 60 days and for April and May the percentages achieved were 94.9 and 94.7 respectively.

Over the last year, more than 10 million people who were receiving their pensions a year ago have continued to receive them without interruption. Ministers have both met with and received written progress reports from Benefits Agency officials on the potential impact on pension and other benefit claims of the delayed implementation of NIRS2. The Benefits Agency has started to review cases that have been affected by the delays in implementing NIRS2 as planned.

HOME DEPARTMENT

Double Jeopardy

Angela Smith: To ask the Secretary of State for the Home Department what are the terms of reference for the Law Commission's review of the law on double jeopardy. [90048]

Mr. Straw: Following the recommendation in the Report on the Stephen Lawrence Inquiry, I have today formally asked the Law Commission to undertake a review of the law on double jeopardy. The terms of reference for this review are:

"To consider the law of England and Wales relating to double jeopardy (after acquittal), taking into account:

recommendation 38 of the Macpherson Report on the Stephen Lawrence Inquiry that consideration should be given to permit prosecution after acquittal where fresh and viable evidence is presented;

the powers of the prosecution to re-instate criminal proceedings;

and also the United Kingdom's international obligations;

and to make recommendations."

Drug Testing (Prisons)

Mr. Corbett: To ask the Secretary of State for the Home Department (1) what is the average cost of *(a)* a litmus test and *(b)* laboratory analysis of urine taken for drug-testing purposes in prisons; [89473]

(2) what plans he has to expand the use of litmus tests in mandatory drug testing in prisons. [89472]

Mr. George Howarth: Recent contacts with companies marketing non-instrumented drug test devices (litmus tests) capable of testing for a group of drug types suggests that an average price of £6 per device would apply. The precise cost to the Prison Service for laboratory screening a similar group of drug types is commercial in confidence, although I can advise that it is comparable to that figure. However, if the result from a test is disputed, a more sophisticated and considerably more expensive confirmation test has to be carried out by a laboratory in order to meet the required standard of proof. The Prison Service uses laboratory screening because it produces the most reliable and consistent results and so minimises the number of confirmation tests required. For this reason the Prison Service does not authorise the use of non-instrumented drug test devices in mandatory drug testing.

Rape

Ms Drown: To ask the Secretary of State for the Home Department in what circumstances, under the provisions of the Youth Justice and Criminal Evidence Bill [Lords], the complainant in a rape trial could be denied screening from the defendant. [89664]

Mr. George Howarth: Under clause 17(4) of the Youth Justice and Criminal Evidence Bill, all complaints in sexual offence trials will benefit from a presumption that they are eligible for help with giving evidence. As the clause is currently drafted, a complainant would be considered ineligible for help if the court was satisfied that the quality of his or her evidence was not likely to be

diminished by fear or distress. However, I am considering whether the presumption in clause 17 could be strengthened.

Once a witness is deemed eligible, the court will go on to consider which (if any) of the special measures in the Bill, including screens, would be likely to improve the quality of his or her evidence. If it decides that a measure would improve the witness's evidence, it must award it. In reaching that decision, it will have to consider all the circumstances of the case. Those circumstances include the witness's views, and whether the measure might tend to inhibit the evidence being tested.

So a court could decide that a rape complainant should not be screened from the defendant for one of the following reasons: the witness was ineligible for special measures; the witness did not want to be screened; another measure (perhaps live link, or clearing the court) would be more likely to maximise the quality of the witness's evidence; screens might inhibit the ability of the defence to cross-examine the witness; or, for some other reason, in all the circumstances of the case, the quality of the witness's evidence would not be maximised by being screened from the defendant. Having said that, I would not expect courts to commonly refuse screens for rape complainants who want them.

Kosovar Refugees

Mrs. Gillan: To ask the Secretary of State for the Home Department how many asylum applications have been lodged by Kosovars since 1 January; how many have been processed; and what were the outcomes. [89623]

Mr. Mike O'Brien: The available information is that in the period between January and May 1999 3,455 applications for asylum in the United Kingdom were made by nationals of the Federal Republic of Yugoslavia, excluding dependants. 2,835 initial decisions were made, of which 2,165 were granted asylum and 165 were refused. 505 decisions were made under the pragmatic measures aimed at reducing the pre-1996 asylum backlog with the large majority being granted asylum and a small number exception leave to remain.

I regret that it is not possible to separately identify Kosovars within the available statistics for the Federal Republic of Yugoslavia.

Mrs. Gillan: To ask the Secretary of State for the Home Department how many Kosovar refugees received in the United Kingdom have *(a)* been returned to Kosovo and *(b)* requested a return passage to Kosovo. [89619]

Mr. Mike O'Brien: None of the refugees who have arrived under the United Nations High Commissioner for Refugees Humanitarian Evacuation Programme have yet been returned to Kosovo. We have asked the International Organisation for Migration to begin taking registrations from those who want to return; so far there have been over 100 inquiries.

Mrs. Gillan: To ask the Secretary of State for the Home Department how many Kosovar refugees have been received in the United Kingdom; if he will list the centres receiving Kosovar refugees; and how many Kosovar refugees have left the accommodation where they were originally housed on entering the United Kingdom. [89616]

Mr. Mike O'Brien: 4,346 evacuees have been airlifted to the United Kingdom under the United Nations High Commissioner for Refugees Humanitarian Evacuation Programme from Macedonia. Most have been housed in reception centres in the Midlands, the North of England and Scotland. Reception centres have been established in Ashton-under-Lyme, Barnsley, Blackburn, Bolton, Bradford, Bury, Cheadle, Clitheroe, Derby, Doncaster, Glasgow, Grimsby, Halifax, Harrogate, Hornsea, Leeds, Leicester, Liverpool, Manchester, Northwich, North Berwick, Oldham, Renfrew, Ripon, Rotherham, Runcorn, Sheffield, Southport, Stockport, Trafford, Ulverston, Wakefield and York.

424 refugees arriving under the Humanitarian Evacuation Programme are not currently resident in reception centres.

Closed Circuit Television

Mr. Loughton: To ask the Secretary of State for the Home Department what assessment he has made of the compatibility of police-operated Closed Circuit Television cameras with forthcoming changes in European human rights legislation. [89352]

Mr. George Howarth: Closed Circuit Television (CCTV) schemes funded by the Home Office are governed by codes of practice and data protection legislation to ensure that the systems are operated fairly and lawfully, and with due regard to individual rights to privacy, as provided in Article 8 of the European Convention on Human Rights. The Human Rights Act 1998 will give further effect in United Kingdom law to the rights and freedoms guaranteed in the Convention. It will not create any substantive new rights. A properly regulated and controlled CCTV system should therefore fully comply with the requirements of the Act.

Video Appeals Committee

Mr. Laurence Robertson: To ask the Secretary of State for the Home Department to whom the Video Appeals Committee is responsible; who appoints its members; and if he will make a statement. [89662]

Mr. Straw: Section 4(3) of the Video Recordings Act 1984 requires the Secretary of State to be satisfied that adequate arrangements exist for appeals against classification decisions which submitting companies consider to be too strict. The Video Appeals Committee is the independent, appellate body set up for this purpose. Its members are selected by the British Board of Film Classification but it is independent of the Board and the Home Secretary. Although the Committee has no statutory authority, it has been the Board's practice to accept its decisions.

Ethnic Minorities (Local Authority Support)

Mr. Sutcliffe: To ask the Secretary of State for the Home Department which authorities have received contributions of over 50 per cent. towards ethnic minority support under section 11 since 1995. [89438]

Mr. Mike O'Brien: Information is not readily available in the form requested. From 1 April 1995 until (except where shown) 31 March 1999, one or more projects run by the authorities shown in the table had a maximum section 11 grant allocation that was more than

50 per cent. of the minimum level of expenditure that needed to be incurred in order to attract that allocation. But, in many cases, actual expenditure exceeded the minimum level of expenditure, thus reducing the proportion of the total cost that was met by section 11 grant.

Authority

Barnet
Bedfordshire[1]
Berkshire[2]
Bexley
Birmingham
Bolton
Brent
Buckinghamshire
Bury
Calderdale
Cambridgeshire
Cheshire[3]
Cleveland[4]
Coventry
Croydon
Derbyshire[5]
Devon
Doncaster
Durham[6]
Enfield
Gloucester
Gwent[7]
Hackney
Hampshire[8]
Haringey
Harrow
Havering
Hertfordshire
Hillingdon
Hounslow
Humberside[9]
Islington
Kensington & Chelsea
Kent[10]
Kingston-upon-Thames
Lancashire[11]
Leeds
Leicestershire[12]
Lincolnshire
Liverpool
Manchester
Merton
Newcastle[13]
Newham[14]
Northamptonshire
North Tyneside
North Yorkshire
Nottinghamshire[15]
Oldham
Oxfordshire
Redbridge
Richmond
Rochdale
Sandwell[16]
Sheffield
South Glamorgan[17]
Staffordshire
Stockport
Suffolk
Sunderland
Surrey
Tameside
Tower Hamlets
Trafford
Walsall
Waltham Forest
Wandsworth
Warwickshire
Westminster
West Sussex
Wiltshire[18]

[1] Also Luton, to whom two projects were transferred following local government reorganisation.

[2] Following local government reorganisation, funding paid instead to Reading, Slough, Windsor and Maidenhead and Wokingham.

[3] Following local government reorganisation, funding paid instead to Warrington.

[4] Following local government reorganisation, funding paid instead to Middlesbrough, and later to Hartlepool, Redcar and Cleveland, and Stockton as well.

[5] Projects transferred to the City of Derby following local government reorganisation.

[6] Project transferred to Darlington following local government reorganisation.

[7] Authority abolished following local government reorganisation; projects transferred to Newport.

[8] Two projects transferred to Portsmouth and Southampton following local government reorganisation; other project remained with the county.

[9] Authority abolished following local government reorganisation; project divided between Kingston-upon-Hull, North Lincolnshire and North East Lincolnshire.

[10] Basis of funding revised to 50/50 after authority obtained increased financial provision in 1997.

[11] Also Blackburn following local government reorganisation.

[12] Also the City of Leciester following local government reorganisation.

[13] Funding for project at over 50 per cent. finished in March 1997.

[14] Funding for project finished in March 1997.

[15] Project divided with the City of Nottingham following local government reorganisation.

[16] Funding at over 50 per cent. finished in March 1997.

[17] Authority abolished following local government reorganisation; project transferred to Cardiff.

[18] Project transferred to Swindon following local government reorganisation.

West Yorkshire Fire Authority

Mr. Sutcliffe: To ask the Secretary of State for the Home Department what specialised rescue appliances will be available in Bradford Metropolitan Area following the proposals made by West Yorkshire Fire Authority.

[89435]

Mr. George Howarth: Statutory responsibility for ensuring efficient fire services rests locally with the fire authority. However, the approval of my right hon. Friend the Home Secretary is required, under section 19 of the Fire Services Act 1947, if a fire authority wishes to close a fire station or reduce the number of its fire appliances or firefighting posts. West Yorkshire Fire and Civil Defence Authority applied on 23 April for his approval to the removal of four emergency tenders, including one in the Bradford Metropolitan Area, and associated firefighting posts. My right hon. Friend is considering this application in consultation with Her Majesty's Fire Service Inspectorate.

I understand from the Authority that all the pumping appliances in the Bradford Metropolitan Area have a rescue capability. One appliance has enhanced rescue capability and is termed a heavy rescue pumping appliance.

Within this financial year the Authority intends to deploy additional heavy rescue pumping appliances to Keighley and Odsal, replacing the existing rescue pumping appliances. In addition, for specialist rescue in the brigade area, there are two major rescue units strategically placed at Cleckheaton and Hunslet.

FOREIGN AND COMMONWEALTH AFFAIRS

Indonesia (Arms Sales)

Audrey Wise: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the applications for arms sales to Indonesia which have been *(a)* allowed and *(b)* refused since 1 May 1997. [88590]

Dr. Howells: I have been asked to reply.

Information on export licensing decisions between 2 May and 31 December 1997 was set out in the Annual Report on Strategic Export Controls, published on 25 March by the Foreign and Commonwealth Office.

The entry in the relevant legislation under which the export of goods is controlled is known as their rating. The Export Control Organisation's computer databases have been interrogated and the following results were obtained. Between 1 January 1998 and 18 June 1999, 51 Standard Individual Export Licences (SIELs) and 20 Open Individual Export Licences (OIELs) were issued covering the export to consignees or end-users in Indonesia of goods subject to export control by being listed in Part III of Schedule 1 to the Export of Goods (Control) Order 1994, the so-called Military List.

In the same period, two applications for such SIELs were refused: one covering goods rated ML1 and the other covering goods rated ML3. No applications for such OIELs were refused in full.

Individual licences cover a range of goods with various ratings. Where this is so, the licence is included in the table in the total for all of the relevant ratings.

Individual licences issued between 1 January 1998 and 18 June 1999 covering the export to Indonesia of goods on the Military List

Rating	*Number of SIELs issued covering goods with this rating*	*Number of OIELs issued covering goods with this rating*
ML1	3	0
ML2	5	0
ML3	3	0
ML4	1	1
ML5	1	1
ML6	1	1
ML7	1	0
ML9	2	3
ML10	19	8
ML11	11	8
ML13	2	0
ML14	2	1
ML15	2	1

Individual licences issued between 1 January 1998 and 18 June 1999 covering the export to Indonesia of goods on the Military List

Rating	*Number of SIELs issued covering goods with this rating*	*Number of OIELs issued covering goods with this rating*
ML21	2	3
ML22	1	3
PL5006	2	0
PL5017	2	1

This information does not cover any Media OIELs that may have been issued during this period. Media OIELs authorise the export to all destinations of protective clothing, mainly for the protection of aid agency workers and journalists, when working in areas of conflict.

This information should be considered in light of the answer given by the Financial Secretary to the Treasury, my hon. Friend the Member for Hornsey and Wood Green (Mrs. Roche), to my hon. Friend the Member for Don Valley (Caroline Flint) on 30 October 1997, *Official Report*, columns *870–71*.

In addition, the export to specified countries, including Indonesia, of specified goods on the Military List is permitted under certain Open General Licences; copies of all Open General Licences valid at any time during the period are in the Library of the House.

Kosovo

Mr. Pike: To ask the Secretary of State for Foreign and Commonwealth Affairs what analysis his Department has made on the effect of the present conflict on the trade and economies of those countries neighbouring Kosovo and Yugoslavia; and if he will make a statement. [86060]

Mr. Tony Lloyd: We are in close touch with the countries of the region to assess the economic impact of the crisis and consider ways to help minimise its effects, working with our EU partners and the International Financial Institutions. The impact will vary widely from country to country. Within the EU, we have strongly supported the provision of additional assistance to the region. So far the European Commission has allocated 150m euros in humanitarian support and a further 100m euros in budgetary support.

Mr. Winnick: To ask the Secretary of State for Foreign and Commonwealth Affairs if he intends to have further discussions with other European Ministers regarding the safety of civilian Serbs in Kosovo; and if he will make a statement. [89601]

Mr. Tony Lloyd: We discuss regularly with our European partners issues relating to the safety of all ethnic minorities in Kosovo. KFOR are fully seized of the need to protect all Kosovo citizens. As NATO Secretary General Solana has stated:

> "KFOR will operate in an impartial and even-handed manner . . . [it] will not tolerate any . . . intimidation of any of the people of Kosovo".

Mr. Winnick: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to publish a White Paper on the atrocities carried out in Kosovo during the Serbian rule. [89600]

Mr. Tony Lloyd: Our first priority is to investigate and establish the details of atrocities committed in Kosovo. Once that is done, we shall review how these details will be presented to Parliament.

Ministerial Travel

Mr. Gerald Howarth: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the occasions in the past four weeks on which *(a)* he and *(b)* Ministers in his Department have travelled by official car on the M4 between Heathrow Airport and Chiswick roundabout. [89028]

Mr. Robin Cook *[holding answer 29 June 1999]:* It is not our policy, for security and other considerations, to disclose the routes used by Ministers. But in the course of official business I inevitably travel frequently to Heathrow.

Sierra Leone

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) what assistance he is providing the Sierra Leone Government for the pursuit of perpetrators of war crimes; and if he will make a statement; [89606]

(2) what support his Department is providing for human rights in Sierra Leone; and if he will make a statement. [89607]

Mr. Tony Lloyd: Britain continues to make clear to all parties in Sierra Leone the crucial importance of respect for human rights; and has consistently condemned human rights violations in Sierra Leone. We unreservedly condemn the appalling human rights abuses committed during the conflict in Sierra Leone. We look to the rebels to demonstrate remorse for the enormous suffering they have inflicted on the people of Sierra Leone.

Britain is leading the way in providing support for the reconstruction and rehabilitation of Sierra Leone. For example, the emergency food, medicine, and disinfectant which Britain provided and distributed in the immediate aftermath of the rebel incursion into Freetown in January helped save lives and alleviate suffering.

Our latest £10 million package of assistance to Sierra Leone is helping the West African Peacekeeping Force, ECOMOG, to protect the people of Sierra Leone from rebel atrocities. We have made it clear that our support is conditional on ECOMOG and the Government of Sierra Leone respecting human rights.

We support the efforts being made to confront these issues in the current peace negotiations between the Government of Sierra Leone and the rebels. A long-term reconciliation process will be essential if lasting peace is to be achieved in Sierra Leone. We are ready to consider how we can best contribute to this process following a peace agreement, in support of the United Nations and others.

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the present operational status of the United Kingdom High Commission in Sierra Leone. [89605]

Mr. Tony Lloyd: The British High Commission in Freetown is fully operational, with the exception of the Consular/Visa section. This section remains closed except for genuine emergencies, and will re-open as soon as a permanent Vice-Consul can arrive. We regret the inconvenience caused by the absence of a Vice-Consul, and are taking urgent steps to fill this staffing gap.

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs what is his policy towards encouraging the continued deployment of ECOMOG forces in Sierra Leone; what has been the total financial cost to ECOMOG of deployment to date; what has been the total *(a)* cost and *(b)* nature of United Kingdom support to ECOMOG; and if he will make a statement. [89657]

Mr. Tony Lloyd: We are providing considerable practical support for ECOMOG's efforts to consolidate the security situation in Sierra Leone. We believe that ECOMOG should continue to play an important role in providing security in Sierra Leone for the time being. We are encouraged by President Obasanjo's recent public commitment that Nigerian troops will remain in Sierra Leone until peace is guaranteed.

Since September 1998, Britain has provided over £4 million worth of practical logistic support to ECOMOG and the Government of Sierra Leone. As part of our new £10 million package of assistance, we have made available a further £5 million to provide further equipment for ECOMOG. We are providing logistic support in the form of vehicles and spares, boots, rations, tents, helicopter hours, and transportation of a new contingent, as well as light weapons and ammunition.

The question of the total financial cost to ECOMOG to date of its deployment in Sierra Leone is a matter for the Economic Community of West African States (ECOWAS).

Abkhazia

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Government policy towards Abkhazia. [89612]

Ms Quin: The British Government are active in seeking a peaceful and lasting solution to the conflict in the region of Abkhazia, Georgia. We are members of the group known as the Friends of the UN Secretary-General, which supports the parties in their efforts to find a negotiated settlement to the conflict. Most recently, the British Ambassador in Tbilisi joined representatives of the other Friends of the Secretary-General and the parties in UN-sponsored talks in Istanbul from 7 to 9 June. The UK currently has seven military observers in a UN mission (UNOMIG) monitoring the ceasefire in co-operation with the CIS Peacekeeping Force. The British Government fully support a solution to the conflict based on the territorial integrity of Georgia, and maximum autonomy for the region of Abkhazia.

The Ossetias

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Government policy towards the Ossetias. [89610]

Ms Quin: It is the policy of the British Government, together with the rest of the international community, to recognise the North Ossetian Autonomous Republic as part of the Russian Federation and the region of South Ossetia as part of Georgia. We fully support the efforts of the OSCE in South Ossetia to find a lasting settlement to the unresolved conflict in the region.

Chechnya

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if it is his policy to encourage UK trade with Chechnya. [89613]

Ms Quin: The dangerous security situation in Chechnya limits opportunities for trade. Our strong advice is that visitors, including British business people, should not travel there because of the security risks. If a British company wished to trade with Chechnya without its staff travelling to the region, we would provide our normal services to British exporters.

Millennium Compliance

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the effects of millennium compliance internationally on *(a)* 9 September 1999 and *(b)* 1 January 2000; and what measures he is taking to alleviate difficulties identified. [89608]

Mr. Hoon: The Government fully recognise the potential problems that might occur as a result of date-related computer and embedded chip failures. That is why we are working closely with our international partners especially in the EU and with the G8 to minimise the potential impact both in the UK and overseas. The conclusions of the G8 and EU Heads of Government meetings that took place in June set out clearly our priorities. A copy of both sets of conclusions can be found in the Library of the House.

Russia (Millennium Compliance)

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the current level of cooperation with Russia on millennium compliance; what is his assessment of the *(a)* readiness and *(b)* cost of Russian compliance; and if Russian (i) ballistic missiles and (ii) power stations are millennium compliant. [89604]

Mr. Hoon: As a member of the G8, Russia is working closely with its international partners to address the issue of millennium compliance across all sectors including energy and defence. It is not possible to give an accurate estimate of the costs involved. There is no evidence to suggest that ballistic missiles are affected by millennium date problems. The Russian electricity generation and distribution company has stated that it is increasingly confident that it will be able to continue to supply electricity over the date change period.

Chinese Embassy (Belgrade)

Mr. Loughton: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has received from his US counterpart following the statement by the Secretary of State for Trade and Industry in China concerning the bombing of the Chinese Embassy in Belgrade. [89351]

Mr. Tony Lloyd: None.

EDUCATION AND EMPLOYMENT

New Deal

Mr. Bercow: To ask the Secretary of State for Education and Employment what assessment he has made of the proportion of people participating in the Training and Education Option of the New Deal who obtain unsubsidised employment after completion of their training; and if he will make a statement. [89433]

Mr. Andrew Smith: The latest Government Statistical Service figures show that, of the 42,100 young people who had entered full-time education and training by the end of April 1999, the majority—22,850 or 54 per cent.—were still on the option. Another 22 per cent.—or 9,270—were still on the New Deal and either on the point of entering another option or receiving intensive help to find a job. Of those young people who had left New Deal after participating in the FTET option, 54 per cent. with known destinations had entered jobs and roughly 27 per cent. of all leavers—including those who did not disclose a destination—had done so.

Mr. Bercow: To ask the Secretary of State for Education and Employment what assessment he has made of the future numbers of prospective New Deal recruits. [89432]

Mr. Andrew Smith: I refer the hon. Member to the reply given to my hon. Friend the Member for Enfield, Southgate (Mr. Twigg) on 14 April 1999, *Official Report*, column *253*.

Mr. Bercow: To ask the Secretary of State for Education and Employment if he will make a statement on *(a)* the advertising and public relations costs incurred in the promotion of the New Deal for the long-term unemployed in 1998–99 and *(b)* his estimate of the cost in 1999–2000. [89427]

Mr. Andrew Smith: The total cost of publicising New Deal for 18 to 24-year-olds and 25 plus in 1998–99 was £9,776,188 as shown in the Departmental Report. The current forecast of spend in 1999–2000 is £1,750,000. There is also a balance of £1,952,000 from 1998–99 that is available for years 1999–2000, 2000–01, 2001–02; with year end flexibility of the Windfall Tax.

Mr. Bercow: To ask the Secretary of State for Education and Employment what reports he receives on, and what assessment he has made of, the quality of recruits to the New Deal. [89425]

Mr. Andrew Smith: New Deal Statistical First Releases are published monthly covering 18–24 and 25 plus long-term unemployed clients and lone parents. These Statistical Releases give a range of information on the characteristics of recruits to New Deal, including educational achievement on entry, length of time on benefit, special needs, disability and ethnic group.

In addition, the wider evaluation of New Deal includes qualitative studies of the experience of individuals, based on interviews at each stage of the New Deal process. Copies of published evaluation findings are held in the Library.

Mr. Bercow: To ask the Secretary of State for Education and Employment what independent assessment he has commissioned of the quality of information about the New Deal. [89426]

Mr. Andrew Smith: Published statistics on the New Deal for unemployed people and the New Deal for Lone Parents are drawn from the New Deal Evaluation Database held by the Employment Service. These statistics are published under the auspices of the Government Statistical Service and conform to the standards laid out for the publication of official statistics—namely, that such statistics are processed, analysed, and disseminated in an unbiased, timely and independent manner.

In addition, the Database has been subject to rigorous internal checking with the result that no systematic errors have been identified. This conclusion is supported by a range of external contractors with whom the Database is shared.

Mr. Bercow: To ask the Secretary of State for Education and Employment what discussions he has had with representatives of the Employment Service about the number of employers to be contacted about the New Deal. [89564]

Mr. Andrew Smith: As part of my regular discussions with the Employment Service on New Deal, a full and active campaign of advertising, mailshots and targeted direct contacts with employers was agreed.

Mr. Bercow: To ask the Secretary of State for Education and Employment if he will list the other known reasons for the departure of 9 per cent. of young New Deal participants as referred to in his Department's Statistical First Release /12/1999. [89418]

Mr. Andrew Smith: The other known reasons for young people leaving New Deal as referred to in the Statistical First Release are:

gone abroad
claimant deceased
entered full-time education (other than as a New Deal option)
approved training
starting non-New Deal Government Supported Training
in prison/custody
attending court
on the witness protection programme
partner working
partner claiming
client signed off voluntarily due to a fraud investigation
client signed off when a JSA disallowance applied
or client is over the maximum savings.

Mr. Bercow: To ask the Secretary of State for Education and Employment what steps he is taking to increase the number of people who became self-employed after completing their participation in the New Deal. [89429]

Mr. Andrew Smith: We are spreading best practice drawn from the successful experience of the increasing numbers already moving towards self-employment through New Deal.

Mr. Bercow: To ask the Secretary of State for Education and Employment what steps he proposes to take to increase the supply of New Deal recruits. [89423]

Mr. Andrew Smith: Eligibility for the New Deal for Young People, and hence the number of young people taking part, is primarily determined by the number of young people who reach six months unemployment, although there is provision for early entry for young people with special needs including those with literacy and numeracy difficulties, disabled young people and ex-offenders.

Mr. Bercow: To ask the Secretary of State for Education and Employment what assessment he has made of the role of the Employment Service to date in the development of the New Deal. [89424]

Mr. Andrew Smith: The Employment Service has played a central role in getting the New Deal off to a good start: the total number of young people going into jobs had by the end of April 1999 reached 105,000; in addition over 70,000 young people have been helped to improve their employability through training and work experience; and more than 50,000 employers have signed up to support New Deal. These encouraging achievements reflect the great efforts which the Employment Service and its partners are putting into the New Deal.

Mr. Bercow: To ask the Secretary of State for Education and Employment what assessment he has made of the level of administration required to be carried out by employers for the operation of the New Deal. [89565]

Mr. Andrew Smith: The administration required of employers who are supporting New Deal was designed to keep bureaucracy to a minimum, while providing an audit trail to ensure public funds are protected and Value for Money achieved. We keep administrative process under review including examination by external consultants.

Mr. Bercow: To ask the Secretary of State for Education and Employment what plans he has to change the respective shares of resources for the New Deal to be allocated to those aged (i) under and (ii) over 25 years. [89420]

Mr. Andrew Smith: The precise allocation of resources between our Welfare to Work programmes are kept under constant review. They are altered when necessary in light of experience of the programmes and labour market developments.

Mr. Bercow: To ask the Secretary of State for Education and Employment what recent representations he has received from *(a)* the Trades Union Congress, *(b)* the Forum of Private Business, *(c)* the CBI, *(d)* the British Chamber of Commerce and *(e)* the Federation of Small Businesses regarding the New Deal for the long term unemployed; and what assessment he has made of them. [89428]

Mr. Andrew Smith: The Department maintains a continuing dialogue on the New Deal with a wide range of organisations including those representing businesses large and small, and trade unions. The Government also

receive valuable advice from the New Deal Task Force, chaired by Sir Peter Davis, and which includes members drawn from business, trade unions and the voluntary sector.

Mr. Bercow: To ask the Secretary of State for Education and Employment what steps he is taking to increase the participation of *(a)* his Department and *(b)* other Government Departments in the New Deal. [89431]

Mr. Andrew Smith: We have taken a number of steps to increase further New Deal participation by Government Departments. These include exchanging information and good practice through Departmental Establishment Officers, setting up a sub-group of the New Deal Task Force to propose ways to strengthen public sector involvement, and providing support and advice from the Employment Service. A number of Departments are also participating by working closely with New Deal in its promotion to key service and industrial sectors, eg construction, hospitality, retailing and manufacturing.

Grammar Schools

Mr. Bercow: To ask the Secretary of State for Education and Employment how many invitations he and his departmental colleagues have received to speak on the continuation of grammar schools; and if he will make a statement. [89566]

Ms Estelle Morris: Ministers receive numerous invitations to speak on a variety of subjects. It is for local parents to decide whether or not they wish grammar schools to continue their current admission arrangements.

Written Answers to Questions

Monday 5 July 1999

HOME DEPARTMENT

Climate Change Levy

Mr. Pearson: To ask the Secretary of State for the Home Department what estimate he has made of *(a)* the cost of the climate change levy to his Department and *(b)* the savings from the reduction in National Insurance Contributions that will occur when it is introduced. [88863]

Mr. Straw: The net impact of the climate change levy and the associated reduction in main rate of employers' National Insurance Contributions on the Home Office will depend on the rates of climate change levy. The final rates of climate change levy will not be set until Finance Bill 2000.

In addition, the Government are still considering a number of detailed issues on the tax treatment of different energy products which could have a significant impact in some instances. It is, therefore, not possible to give definitive figures about the impact of the climate change levy on the Home Office.

Ministerial Protection

Mr. Stott: To ask the Secretary of State for the Home Department which class of vote covers expenditure incurred on protection of Ministers and other current and former parliamentarians; and what is the total of this expenditure in the current financial year. [88849]

Mr. Straw: The class of vote covering such expenditure is Class IV. It is not the practice to publish how much is spent on protective security measures as to do so would provide an indication of the level of security being provided.

Restaurant Health Inspections

Mr. Fearn: To ask the Secretary of State for the Home Department what plans he has to include individual restaurant health inspection data in his Department's proposals for freedom of information. [89131]

Mr. Straw: Food hygiene inspections are conducted by local authority Environmental Health Officers under the Food Safety Act 1990. This Act does not prohibit the disclosure of inspection reports unless they contain confidential information.

Local authorities are public authorities within the meaning of the draft Freedom of Information Bill and will be required to apply the legislation to information requests when the Bill is enacted.

Clause 34(2) of the draft Bill exempts information from the right of access if disclosure would, or would be likely to, prejudice the commercial interests of any person. It is possible that inspection reports may fall for consideration under this exemption. But, even if the disclosure of a report is exempt by virtue of this clause, authorities would have a duty under clause 14 to consider, on a case by case basis, whether the information requested should be disclosed in the public interest.

In addition, under clause 6 of the draft legislation, public authorities would have a duty to adopt a publication scheme, which has regard to the public interest and must be approved by the Information Commissioner. Under clause 6, a local authority could agree with the Information Commissioner that such reports should be published as of right and if so, in what form and to what timetable.

Criminal Records Checks (Voluntary Sector)

Mrs. Brinton: To ask the Secretary of State for the Home Department (1) what estimate he has made of the cost of providing free access to criminal records checks for the voluntary sector; [89123]

(2) if he will review the decision to include the voluntary sector in charging for criminal records checks on people who want to work in the sector; [89122]

(3) what assessment he has made of the effects of charging for criminal records checks on the voluntary sector; [89121]

(4) when the Criminal Records Bureau will be established; [89124]

(5) what representations he has received on the effects of charging for criminal records checks on the voluntary sector. [89120]

Mr. George Howarth: It is intended that all applicants will be required to pay for certificates from the Criminal Records Bureau. We have received a large number of representations from voluntary organisations and individuals on this subject. We considered very carefully whether there was any way in which free checks could be provided for volunteers. Whilst we acknowledge the valuable contribution volunteers make, we have concluded that it will not be practicable to provide any free checks from the Criminal Records Bureau for volunteers or for any other groups. We realise that this is unwelcome news but providing free checks would prove an unsustainable burden on the public purse and may increase demand for certificates from the Bureau to an uncontrollable extent. In addition, we do not consider it would be fair to allow volunteers to have free certificates when there are other equally deserving groups such as the unemployed or the disabled.

It is difficult to estimate what the cost of free certificates would be to the Bureau, as it is not known how many volunteers would be required to apply for certificates, but the cost is potentially enormous. If checks were provided only to new volunteers seeking the higher levels of checks, the cost could exceed £10 million a year. If checks were extended to all existing volunteers, the cost could be between £40—£200 million. The cost of the fees for certificates from the Bureau will be kept to the minimum necessary to recoup costs and to provide a satisfactory service.

The Criminal Records Bureau is being established to enable checks to be carried out to help prevent unsuitable people from working with children or vulnerable adults. It will be for voluntary organisations to decide whether

volunteers require a certificate, and a certificate will not obviate the need for voluntary organisations to carry out their own checks and references as part of normal recruitment procedures. However, the over-riding consideration at all times must be the protection of the vulnerable, and the service provided by the Criminal Records Bureau will help to achieve this. We do not believe that volunteering will diminish with the introduction of these checks.

The Bureau will be set up in Merseyside and work on implementation and timing is being taken forward.

M4 Bus Lane

Mr. Evans: To ask the Secretary of State for the Home Department how many motorists have been *(a)* cautioned and *(b)* charged for using the new bus lane on the M4. [89174]

Mr. Boateng: The information requested is not available.

Emergency Services

Dr. Cable: To ask the Secretary of State for the Home Department what was the average time for an officer to answer the telephone to a 999 call for the *(a)* London Ambulance Service, *(b)* Metropolitan Police and *(c)* London Fire Service in (i) 1999 to date, (ii) 1998 and (iii) 1997; what were the target times in each of those periods; and what percentage of calls met those targets. [89253]

Mr. George Howarth: This information is not held centrally; however, the following information has been supplied by the London Ambulance Service, Metropolitan Police and London Fire Service:

The London Ambulance Service answers approximately 90 per cent. of 999 calls within five seconds. It aims to achieve a target of 95 per cent. of calls within five seconds by April 2000. 99 per cent. of calls are answered within 15 seconds.

The Metropolitan Police aims to answer 80 per cent. of calls within 15 seconds. In 1997, it answered 90.8 per cent. within target time; in 1998, 88.6 per cent; and to 30 June 1999, 80.2 per cent.

The London Fire Brigade aims to answer 90 per cent. of calls within 20 seconds. In 1997 it answered 93 per cent. of calls in 6 seconds; in 1998, 96 per cent. of calls in 4 seconds; and to 29 June 1999, 96 per cent. of calls in 3 seconds.

Immigration Detainees

Mr. Cox: To ask the Secretary of State for the Home Department how many people charged with immigration offences were detained in prisons in England and Wales on 1 June. [89177]

Mr. George Howarth: The available information is for 31 May 1999 and shows that 480 persons were detained in prisons in England and Wales under the Immigration Act 1971.

Extradition Treaties

Mr. Cox: To ask the Secretary of State for the Home Department if he will list the countries which do not have an extradition treaty with the United Kingdom. [89175]

Kate Hoey: Details of the United Kingdom's extradition arrangements are not available on this basis. Those countries with whom the United Kingdom has extradition arrangements follow. The Extradition Act 1989 enables special extradition arrangements to be made with foreign states with whom the United Kingdom has no extradition arrangements. In addition, there are a number of international conventions which allow for the extradition of fugitives between ratifying states for certain serious offences, even in the absence of an extradition arrangement.

Countries with bilateral extradition treaties with the United Kingdom (with date of entry into force)

1. Albania: 1927
2. Argentina: 1894, 1980
3. Bolivia: 1898
4. Brazil: 1997
5. Chile: 1898
6. Colombia: 1889
7. Cuba: 1905
8. Ecuador: 1886
9. Guatemala: 1886
10. Haiti: 1876
11. Iraq: 1933
12. Liberia: 1894
13. Mexico: 1889
14. Monaco: 1892
15. Nicaragua: 1906
16. Panama: 1907
17. Paraguay: 1911
18. Peru: 1907
19. Salvador: 1882
20. San Marino: 1900
21. Thailand: 1911
22. Uruguay: 1885, 1891
23. USA: 1976, 1986
24. Yugoslavia: 1901

Commonwealth countries which have been designated by order in council under Section 5(1) of the Extradition Act 1989

1. Antigua and Barbuda
2. Australia
3. The Bahamas
4. Bangladesh
5. Barbados
6. Belize
7. Botswana
8. Brunei
9. Canada
10. Dominica
11. Fiji
12. The Gambia
13. Ghana
14. Grenada
15. Guyana
16. India
17. Jamaica
18. Kenya
19. Kiribati
20. Lesotho

21. Malawi
22. Malaysia
23. Maldives
24. Mauritius
25. Nauru
26. New Zealand
27. Nigeria
28. Papua New Guinea
29. St. Kitts and Nevis
30. St. Lucia
31. St. Vincent and the Grenadines
32. South Africa
33. Seychelles
34. Sierra Leone
35. Singapore
36. Solomon Islands
37. Sri Lanka
38. Swaziland
39. Tonga
40. Tanzania
41. Trinidad and Tobago
42. Tuvalu
43. Uganda
44. Vanuatu
45. Western Samoa
46. Zimbabwe
47. Zambia

Overseas territories to whom the Extradition Act 1989 applies

1. Anguilla
2. Bermuda
3. British Antarctic Territory
4. British Indian Ocean Territory
5. Cayman Islands
6. Falkland Islands
7. Gibraltar
8. Montserrat
9. Pitcairn, Henderson, Ducie and Oeno Islands
10. St. Helena and St. Helena Dependencies
11. South Georgia and South Sandwich Islands
12. Turks and Caicos Islands
13. The United Kingdom Sovereign Base Areas of Akrotiri and Dhekelia (Cyprus)
14. British Virgin Islands

Parties to the European Convention on Extradition of 1957 which are designated by order in council under Section 4(1) of the Extradition Act 1989

1. Austria
2. Belgium
3. Bulgaria
4. Croatia
5. Cyprus
6. Czech Republic
7. Denmark
8. Estonia
9. Finland
10. France
11. Germany
12. Greece
13. Hungary
14. Iceland
15. Israel
16. Italy
17. Latvia
18. Liechtenstein
19. Lithuania
20. Luxembourg
21. Malta
22. Moldova
23. The Netherlands
24. Norway
25. Poland
26. Portugal
27. Romania
28. Slovakia
29. Slovenia
30. Spain
31. Sweden
32. Switzerland
33. Turkey

Other Arrangements

1. Hong Kong Special Administrative Region: Extradition arrangements with the Hong Kong Special Administrative Region are under the Extradition Act 1989 as amended by The Hong Kong (Extradition Order) 1997.
2. Republic of Ireland: Extradition arrangements with the Republic of Ireland are under the Backing of Warrants (Republic of Ireland) Act 1965.

Millennium Compliance (Kent Emergency Services)

Dr. Stoate: To ask the Secretary of State for the Home Department what steps he has taken to ensure that the computer systems in use by the Kent Fire Brigade are millennium compliant and that emergency services will not be affected on 1 January 2000. [89186]

Mr. George Howarth: The millennium preparedness of all fire brigades in England and Wales is subject to independent assessment by Her Majesty's Fire Service Inspectorate. The results, together with independent assessments of the millennium preparedness of the other emergency services and other key sectors of the national infrastructure, were reported to the Action 2000 National Infrastructure Forum on 21 April. Her Majesty's Inspectorate reported then that they expected all fire brigades in England and Wales to be fully prepared by September at the latest. That remains the case. The latest state of preparedness of each fire brigade will be reported at the next National Infrastructure Forum on 13 July, following which, I will forward further details to my hon. Friend.

Dr. Stoate: To ask the Secretary of State for the Home Department what steps he has taken to ensure that the computer systems in use by the Kent Police are millennium compliant and that law enforcement activities will not be affected on 1 January 2000. [89187]

Mr. Boateng: It is important that all police forces in England and Wales take every measure to ensure year 2000 compliance. The Home Office has commissioned an Independent Assessment of all forces, including Kent, by

Her Majesty's Inspectorate of Constabulary. The results of this survey will be published at the National Infrastructure Forum on 13 July.

Prisoners (Cell Confinement)

Mr. Mullin: To ask the Secretary of State for the Home Department, pursuant to his answer of 24 June 1999, *Official Report*, column *428*, what proportion of prisoners is confined for more than 22 hours a day in HMP *(a)* Birmingham, *(b)* Liverpool, *(c)* Dartmoor, *(d)* Feltham and *(e)* Swansea. [89287]

Mr. George Howarth: The precise numbers vary from day to day. The table gives the position on 29 June 1999.

Establishment	*Total population*[1]	*Number of prisoners locked up for more than 22 hours*	*Percentage*	*Comment*
Birmingham	1,070	476	44	8 for good order and discipline, 36 patients in the health care centre. The population of 1,070 is 336 more than Birmingham's certified normal accommodation and the shortage of out of cell activity is one result of holding this number of additional prisoners.
Liverpool	1,411	2	0.1	1 for good order and discipline, 1 refuses to leave the segregation unit.
Dartmoor	594	27	4.5	7 for good order and discipline, 10 held in segregation at own request, 10 unemployed. They are being encouraged to apply for work vacancies.
Feltham	799	13	1.6	All for good order and discipline.
Swansea	320	1	0.3	Patient in health care centre unfit for work or association.

[1] This figure is the 'unlock figure', that is, the actual number of prisoners held in the establishment on the morning of 29 June.

Police Forces (Minority Group Consultation)

Sir Robert Smith: To ask the Secretary of State for the Home Department what guidance his Department has issued to police forces about consultation with minority groups in the communities which they serve; and if he will list those forces which have established procedures for liaison with *(a)* ethnic minorities, *(b)* lesbian, gay, and bisexual people, *(c)* disabled people and *(d)* transsexual and transgendered people. [89159]

Mr. Boateng: In December 1996, the Home Office Police Research Group published a report "It's Good to Talk: lessons in public consultation and feedback". This report looked at good practice in consultation and feedback on policing and provided advice to police authorities and forces in deciding how to undertake their consultation arrangements. It set out a matrix methodology to help each force and authority decide on the most appropriate arrangements, and included advice on how to consult with minority groups—particularly those who found it difficult to take part in the more formal consultation processes.

Extensive guidance has been issued on the Crime and Disorder Act 1998 which imposed new duties on police forces and local authorities to form partnerships to deal with crime and disorder. Consultation with local communities is a major aspect of these new duties and the guidance gives advice on the involvement of minority groups.

Her Majesty's Inspectorate of Constabulary's thematic report on police community and race relations "Winning the Race", published in October 1997, and the follow-up report "Winning the Race—Revisited", published in March 1999, also made recommendations on a number of issues including the need to have sound and representative public consultation processes—with particular reference to minority groups.

A survey of all forces undertaken as part of the inspection revealed that at the time of the second inspection (September 1998), 93 per cent. of forces had a strategy in place to consult minority groups. The remaining forces are developing their own strategies. Such strategies will not necessarily be specific to any one group but will encompass all groups within the local community. The issue will be looked at again when Her Majesty's Inspectorate of Constabulary carries out a further inspection of race and community relations in 2000.

The Association of Chief Police Officers (ACPO) has published guidelines for the police in dealing with gay and lesbian communities which includes advice on consultation arrangements.

Special Constabulary Complement

Mr. Bob Russell: To ask the Secretary of State for the Home Department how many people served in the special constabulary of each police force in each of the past five years for which figures are available. [89552]

Mr. Boateng: As at 31 March, the figures for the number of special constables in post in each police force area in England and Wales for the past five years were:

Force	*1995*	*1996*	*1997*	*1998*	*1999*[1]
Avon and Somerset	651	688	759	621	547
Bedfordshire	189	189	182	186	154
Cambridgeshire	279	275	303	320	310
Cheshire	321	274	475	459	407
City of London	83	77	86	76	64
Cleveland	212	195	160	164	126
Cumbria	241	201	188	198	204
Derbyshire	434	413	428	380	317
Devon and Cornwall	1,142	1,102	1,148	1,024	918
Dorset	221	254	289	315	305
Durham	200	187	184	144	159
Dyfed-Powys	302	314	283	254	237
Essex	674	608	634	638	544

Force	1995	1996	1997	1998	1999[1]
Gloucestershire	320	333	297	276	233
Greater Manchester	768	746	685	598	523
Gwent	126	136	157	119	113
Hampshire	598	539	621	698	760
Hertfordshire	320	315	297	306	238
Humberside	427	391	340	324	269
Kent	569	555	589	592	526
Lancashire	608	531	483	489	449
Leicestershire	356	360	415	406	316
Lincolnshire	322	299	271	260	216
Merseyside	384	343	401	419	458
Metropolitan Police	1,550	1,841	1,714	1,282	1,138
Norfolk	345	319	402	337	336
Northamptonshire	303	289	316	288	230
Northumbria	506	471	533	400	342
North Wales	288	332	341	358	400
North Yorkshire	381	360	362	358	276
Nottinghamshire	552	537	620	558	461
South Wales	477	461	361	366	338
South Yorkshire	452	381	308	281	246
Staffordshire	725	702	685	595	468
Suffolk	409	407	379	397	420
Surrey	238	260	297	235	224
Sussex	527	511	472	442	393
Thames Valley	679	744	656	609	569
Warwickshire	352	344	381	345	261
West Mercia	582	613	552	512	515
West Midlands	818	897	945	889	731
West Yorkshire	777	709	690	589	559
Wiltshire	318	233	154	149	184
Total	20,026	19,736	19,734	18,256	16,484

[1] The figures for 31 March 1999 are provisional

Motorway Accidents (Vehicle Removal)

Mr. Bob Russell: To ask the Secretary of State for the Home Department what legal basis exists *(a)* for the warning by the Association of Chief Police Officers that vehicles in motorway accidents or which have broken down must be removed within 30 minutes and *(b)* for the police to engage their own contractors and charge the owners to remove vehicles after this time limit; when these provisions will come into effect; and if he will make a statement. [89553]

Mr. Boateng: Police powers to arrange for the removal of vehicles from motorways are contained in the Road Traffic Regulation Act 1984 and the Removal and Disposal of Vehicles Regulations 1986. Under this legislation, the precise arrangements adopted by police forces for the safe recovery of vehicles from the motorway including the engagement of contractors to carry out this work are an operational matter for individual chief officers of police.

In view of the increasing traffic flows on motorways and the associated dangers the Association of Chief Police Officers (ACPO) issued guidelines in May this year which reduced the period of leeway which the police allow for the removal of vehicles from the motorway from two hours to 30 minutes. A memorandum of understanding has recently been agreed between the four main motoring organisations and ACPO whereby Greenflag, the Royal Automobile Club, Automobile Association and Britannia will aim to attend the scene of a breakdown on the motorway within 30 minutes.

Personal Data

Mr. Cohen: To ask the Secretary of State for the Home Department if he will make a statement concerning the progress made by the reviews *(a)* on retention of DNA profiles collected by the police from individuals for elimination purposes, *(b)* on the wider use of electoral roll personal data without the consent of the elector and *(c)* on the application of the national security exemption to the processing of personal data held by the Security Service for a purpose which relates to serious crime. [89653]

Mr. Boateng: We intend to issue a consultation paper shortly. The Working Party on Electoral Procedures, which has been looking at this alongside other issues, is expected to report to the Home Secretary later in the summer. Consideration is still being given to the exemptions for the Security Service that would be necessary under the Data Protection Act 1998. At this stage, it is not envisaged that the Security Service would rely on exemption provided by section 29 of the 1998 Act (crime and taxation).

Animal Experiments

Mr. Baker: To ask the Secretary of State for the Home Department if he will list the dates since 1 July 1998 when the named veterinary surgeon appointed under section 7(5)(b) of the Animals (Scientific Procedures) Act 1986 visited Harlan UK Ltd., indicating which visits were announced and which unannounced; and on which occasions he considered that the welfare of an animal gave cause for concern and so invoked the procedure laid down in section 7(b) of that Act. [89533]

Mr. George Howarth: The Home Office does not hold records concerning visits to establishments by the named veterinary surgeon. I understand, however, that the named veterinary surgeon for this establishment is employed on a full-time basis by the company and would, therefore, have been on site most days.

Mr. Baker: To ask the Secretary of State for the Home Department if he will make a statement on the use of beagles in animal experimentation. [89450]

Mr. George Howarth: Animals can be used in scientific procedures only where the benefits to humans, other animals or the environment outweigh the costs to the animals involved and where there are no suitable alternatives. Dogs (along with cats, primates and equidae) can be used only if animals of no other species are suitable or if it is not practicable to obtain animals of a suitable species. Unless otherwise authorised, only dogs acquired from designated breeding establishments can be used in scientific procedures.

In 1997, 7,490 scientific procedures were carried out on dogs (less than 0.3 per cent. of all procedures) of which 7,240 involved beagles. Of the 7,490 total, 4,581 were for assessing the safety or efficacy of pharmaceuticals and 1,738 were for pharmaceutical research and development.

No-one likes to use animals in scientific procedures and particularly dogs. However, their use in some procedures is still essential in medical research and testing. The aforementioned figures indicate the important areas of work in which the vast majority of dogs are used.

Mr. Baker: To ask the Secretary of State for the Home Department if he will (1) make a statement on the findings of the recent British Union for the Abolition of Vivisection report into Harlan UK Ltd in relation to alleged infringements of the Animal (Scientific Procedures) Act 1986; [89534]

(2) instigate an investigation into Harlan UK Ltd. to establish whether infringements of the Animals (Scientific Procedures) Act 1986 have occurred; [89535]

(3) list the dates since 1 July 1998 when his Department's Inspectorate has visited Harlan UK Ltd. under section 18(2)(d) of the Animals (Scientific Proceedings) Act 1986, indicating which visits were announced and which unannounced; and what reports were made to him in accordance with section 18(2)(e) of that Act; [89531]

(4) make a statement on the death of two primates en route from Oxford University to Harlan UK Ltd. [89449]

Mr. George Howarth: We have received, and are studying, a detailed report provided, on 29 June, by the British Union for the Abolition of Vivisection (BUAV). An investigation into the allegations made has already been launched and I have asked for urgent advice on whether there is a need to suspend—under the powers granted by section 13 of the Animals (Scientific Procedures) Act 1986—the establishment's certificate of designation.

A comprehensive and thorough investigation will be carried out. It will be led by a senior member of the Home Office Inspectorate unconnected with this establishment. This could take two or three months to complete, but I will be receiving interim reports.

In addition to the standards of care and welfare of animals, the BUAV report criticises the Home Office Inspectorate. These allegations will be considered during the investigation.

I will be advising the Animal Procedures Committee of the outcomes in due course.

It would be wrong to pre-judge the outcome of the investigation and I will not, therefore, comment further at this time. However, I give the hon. Member my assurances that if any of the allegations of contraventions of the Act; of the terms and conditions of licences or certificates; or of the Codes of Practice are substantiated appropriate action will be taken to rectify the problems and to prevent recurrence. No options have been ruled out at this stage.

Mr. Baker: To ask the Secretary of State for the Home Department (1) what steps he is taking to end the practice whereby more animals are bred for research purposes than are used in experiments; [89448]

(2) if he requires research, breeding and supply establishments to keep full records detailing the numbers of research animals killed each year, and where such animals have had their (i) blood, (ii) tissue and (iii) organs sold; [89455]

(3) if he will make it a requirement under the Animals (Scientific Procedures) Act 1986 for establishments to keep full records of (i) the number of animals bred for research purposes and (ii) the number of such animals subsequently destroyed without being so used. [89454]

Mr. George Howarth: I refer to the reply that I gave the hon. Member on 30 November 1998, *Official Report*, columns *80–81*.

Mr. Baker: To ask the Secretary of State for the Home Department how many project licences issued under the Animals (Scientific Procedure) Act 1986 are currently in force at Harlan UK; and how many of these are classified as *(a)* mild, *(b)* moderate and *(c)* substantial severity. [89532]

Mr. George Howarth: There are currently two project licences in force that have primary availability at this establishment—i.e. it is the main place at which procedures are carried out under the authority of the licence. One of these is of mild severity and one moderate. There are a further 22 project licences that have primary availability elsewhere, but that have secondary availability at this establishment. Eleven of these are of mild severity and the remainder are moderate.

Drivers (Drug-testing Kits)

Mr. Hoyle: To ask the Secretary of State for the Home Department when plans he has to introduce drug-testing kits for police to check people suspected of driving under the influence of drugs. [89746]

Mr. Boateng: We have no current plans to introduce such kits, but tests have been carried out on some to assess their practicality for police use and further work is being undertaken to develop a specification for a roadside screening device.

Passport Agency

Mr. Lidington: To ask the Secretary of State for the Home Department if he will list the criteria which he is currently applying to decisions to extend expired passports for two years; and what plans he has to review these criteria. [89866]

Mr. Mike O'Brien: The criteria are as follows:

Where children are included on passports, they can be:

extended until the date of the eldest child's sixteenth birthday so long as there is a minimum of six months, or

extended for two years so long as all the included children are 14 years or younger.

Children included on a passport require their own passport when they reach the age of 16.

Mr. Lidington: To ask the Secretary of State for the Home Department if he will list the dates since 2 May 1997 on which the Chief Executive of the Passport Agency submitted his quarterly reports to ministers. [89865]

Mr. Mike O'Brien: Since 2 May 1997, the Chief Executive has submitted his quarterly reports to Ministers on the following dates:

Period	*Date Submitted*
April to June 1997	11 August 1997
July to September 1997	18 November 1997
October to December 1997	12 February 1998
January to March 1998	12 May 1998
April to June 1998	6 August 1998
October to December 1998	1 February 1999
January to March 1999	19 May 1999

Mr. Lidington: To ask the Secretary of State for the Home Department if he will list the present members of the Passport Agency's Advisory Board. [89863]

Mr. Mike O'Brien: The present members of the Passport Agency's Advisory Board are:

Mike Elland

Deputy Director General, Immigration and Nationality Directorate, Home Office (Chairman)

Keith Ackroyd

Former Managing Director, Boots Retail Division

Malcolm Davidson

Former Managing Director, Littlewoods Pools

Robert Fulton

Principal Finance Officer, Home Office

Linda Lockyer

Director Corporate Resources, Home Office.

Mr. Lidington: To ask the Secretary of State for the Home Department if he will list the dates on which *(a)* the Passport Agency's Management Board and *(b)* the Passport Agency's Advisory Board have met since 2 May 1997. [89864]

Mr. Mike O'Brien: The information requested on meetings of the Passport Agency's Management Board, and its Advisory Board since 2 May 1997 are as follows:

Advisory Board

Year	*Dates*
1997	30 July, 30 October
1998	28 January, 29 April, 29 October
1999	28 January, 28 April

Management Board

Year	*Date*
1997	19 May, 23 June, 2 July, 21 July, 18 August, 28 August, 15 September, 20 October, 17 November, 15 December
1998	19 January, 16 February, 16 March, 20 April, 18 May, 22 June, 20 July, 17 August, 16 September, 19 October, 9 November, 21 December
1999	18 January, 22 February, 22 March, 20 April, 17 May, 21 June

Mr. Lidington: To ask the Secretary of State for the Home Department if he will make it his policy during the present delays at the Passport Agency to waive or reimburse the £10 additional fee due from applicants in person; and if he will make a statement. [89843]

Mr. Mike O'Brien: My right hon. Friend the Home Secretary announced on 30 June that for any applicant calling personally at a passport office who applied more than two weeks ago, and had not yet received their passport, the £10 additional fee for personal applications would be waived.

Mr. Lidington: To ask the Secretary of State for the Home Department if he will make it his policy to allow in urgent circumstances the two year extension of passports which include the names of children aged under 16 years; and if he will make a statement. [89844]

Mr. Mike O'Brien: The arrangements to extend passports by two years includes passports where children are included.

Mr. Lidington: To ask the Secretary of State for the Home Department how many telephone calls were made to the UK Passport Agency in June; and how many of those received the Agency's courtesy message. [89846]

Mr. Mike O'Brien: The Passport Agency has information only up to 25 June. Up to that date, the Agency had received 914,580 telephone calls, of which 621,915 received a courtesy message.

Martin McGartland

Mr. Maginnis: To ask the Secretary of State for the Home Department what progress has been made by the Northumberland Police in identifying those involved in the attempted murder of Martin McGartland at Whitley Bay on 17 June; and if he will make a statement. [89356]

Mr. Boateng: The investigation into this crime is a matter for the Chief Constable of Northumbria Police. I understand, however, that at the present time there is no firm evidence to establish responsibility for the shooting and inquiries are, therefore, continuing.

Child Care Workers (Criminal Offences)

Mr. Salter: To ask the Secretary of State for the Home Department (1) how many people working with children who have been convicted of a criminal offence received sentences of *(a)* custody, *(b)* community service and *(c)* probation; and in each case of what lengths, in each of the last 10 years; [89267]

(2) how many people working with children have been *(a)* arrested for and *(b)* convicted of a criminal offence broken down by category of offences in each of the last 10 years; [89266]

(3) if he will estimate the cost to public funds for each of the last 10 years of those people working with children who have been convicted of a criminal offence and who have received *(a)* a custodial sentence, *(b)* a suspended sentence, *(c)* community service, *(d)* a conditional discharge, *(e)* an absolute discharge, *(f)* a fine, *(g)* a probation sentence and *(h)* a police caution; [89270]

(4) if he will estimate the cost to public funds for each of the last 10 years of those people working with children who have been convicted of a criminal offence and who have subsequently re-offended; [89269]

(5) how many people working with children who have been convicted of a criminal offence have subsequently re-offended in each of the last 10 years; [89268]

(6) how many people working with children who have been convicted of a criminal offence have received *(a)* a suspended sentence, listing the length of that suspension and the sentence, *(b)* a police caution, *(c)* a fine, and of what value, *(d)* an absolute discharge and *(e)* a conditional discharge in each of the last 10 years. [89265]

Mr. Boateng: The information requested is not available as details about an offender's occupation are not recorded on the Home Office Cautions and Court Proceedings Databases.

Personation

Mr. Stringer: To ask the Secretary of State for the Home Department what estimate he has made of the level of personation in *(a)* the 1999 European elections, *(b)* the 1997 general election and *(c)* the 1999 local elections. [89442]

Mr. George Howarth: No arrests have been made for personation at either the 1999 European Parliamentary elections or at the local elections held in May 1999. We know of only two proven cases at the 1997 General Election, one of which resulted in prosecution and a substantial fine.

TRADE AND INDUSTRY

Climate Change Levy

Dr. Kumar: To ask the Secretary of State for Trade and Industry what assessment he has made of the extent of changes to energy savings targets for industrial sectors between 1990 and 2010; what proportion of the changes will have resulted from *(a)* adjustments in the economy and *(b)* the climate change levy; and if he will make a statement. [88011]

Mr. Battle: The Government intend to set significantly lower rates of the climate change levy for energy intensive sectors that agree targets for improving energy efficiency. Detailed negotiations on these targets are now underway with a number of industrial sectors with the intention of reaching agreement in October 1999.

Over the period 1990–2000, the Government's climate change consultation paper estimated that about 70 per cent. of the fall in industrial carbon dioxide emissions relative to the increase in GDP is the result of large-scale fuel switching in electricity supply. Around three quarters of this fall is the result of the introduction of gas fired generation and the remainder from improved productivity of nuclear power and increased renewable energy. A further 10 per cent. can be attributed to changes in the UK's industrial structure and some 20 per cent. comes from improvements in energy efficiency.

The climate change levy is expected to save around 1.5 million tonnes of carbon a year by 2010.

Future reductions in greenhouse gases to 2010 from different sectors will depend on the policies and measures adopted as part of our climate change programme.

Dr. Kumar: To ask the Secretary of State for Trade and Industry what measures he will take to ensure that gas and electricity prices are competitive within the European Union after the climate change levy is introduced; and if he will make a statement. [88012]

Mr. Battle: The Government are committed to the promotion of competition in energy markets which will maintain downward pressure on pre-tax prices.

The White Paper "Conclusions of the Review of Energy Sources for Power Generation" sets out the Government's broad energy policy, including radical reforms to the electricity market. These reforms will bring greater competition to the wholesale market and lower prices for consumers. New arrangements to improve the competitiveness of the gas market will be introduced in October this year.

Proposals for the climate change levy also recognise the need to have regard to the competitiveness of UK industry. The Government intend to set substantially lower rates of levy for those energy intensive sectors that enter into negotiated agreements on their energy use and emissions.

Specialist Shops

Mr. Lock: To ask the Secretary of State for Trade and Industry (1) what assessment his Department has made of the continuing commercial viability of small and specialist shops in small and medium-sized towns; and if he will make a statement; [88614]

(2) what financial assistance is available from his Department to support small and specialist shops in *(a)* small and medium-sized towns and *(b)* Bewdley; and if he will make a statement. [88613]

Mr. Wills *[holding answer 28 June 1999]:* Small and specialist shops are crucial to the economic, environmental and social development of small and medium-sized towns. They provide employment, regenerate the economy of town centres and have an important role to play in providing a service to those living and working in urban areas, particularly the disadvantaged, or those who may be socially excluded.

The Urban White Paper published on 29 June will consider the effects of new technology on the retail sector and this is likely to include the role of small shops.

In addition several Single Regeneration Budget schemes have an impact, either directly or indirectly, on retail sectors within small and medium-sized towns in the West Midlands region. Other assistance available to small businesses throughout the region includes schemes in Staffordshire, Hertfordshire, Shropshire and Worcestershire that offer a mix of business services and support.

Financial Transactions

Mr. Loughton: To ask the Secretary of State for Trade and Industry (1) what discussions he has had with representatives of banks and credit card operators about liberalising regulations regarding use of credit cards for e-commerce transactions with internet firms with a limited trading history; [89318]

(2) what discussions he has had with representatives of banks and building societies regarding the raising of existing and the introduction of new charges for over the counter transactions and use of cash dispensing machines. [89317]

Dr. Howells *[holding answer 1 July 1999]:* My right hon. Friend the Secretary of State has held no discussions.

Platform Lifts

Mr. Berry: To ask the Secretary of State for Trade and Industry what action is being taken by his Department in response to the proposals being considered by the EC to transfer regulation of platform lifts from the Health and Safety Directive to the Lift Directive. [89546]

Mr. Battle: It is assumed that the question refers to the Machinery Directive (98/37EC) and to the Lifts Directive (95/16/EC). The Services of the European Commission have been preparing a draft Proposal for simplification of the Machinery Directive but no formal Proposal for amending the Machinery Directive has been adopted yet by the Commission or presented to the Council of Ministers.

It is understood that the measure may seek to clarify the scope of the Directive in relation to a number of other Single Market Directives including the Lifts Directive.

The Government would welcome simplification and clarification in principle but would need to study the precise terms of any such Proposal before they could give a view on their merits.

Agency Nursing

Dr. Cable: To ask the Secretary of State for Trade and Industry what assessment he has made of the competition implications of agency nursing. [89380]

Dr. Howells: There has been no such assessment carried out either by my Department or by the Office of Fair Trading.

British Coal

Caroline Flint: To ask the Secretary of State for Trade and Industry what assessment he has made of the competitiveness of British coal in (i) the European and (ii) the international market; and if he will make a statement. [89387]

Mr. Battle: The Government do not collect statistics on UK coal production costs. We understand that, on average, UK coal is produced at costs which are roughly a third of German production costs, and a quarter or less of Spanish costs. Unlike the German and Spanish coal industries, the UK coal industry receives no state aid.

Outside the European Union the picture is different. The delivered cost of UK deep-mined coal is currently reported to be around a quarter to a third higher than the delivered price of internationally traded coal, much of which also has a lower sulphur content than most British coal.

The competitiveness of the industry is not determined purely by its costs, but also depends on factors including location, security of supply and the precise characteristics of the coal required.

Caroline Flint: To ask the Secretary of State for Trade and Industry what steps he is taking to support and encourage the export of British coal. [89386]

Mr. Battle: British Trade International, the new unified DTI/FCO operation, has lead responsibility within Government for trade promotion and development on behalf of British business and aims to help UK firms take full advantage of overseas business opportunities by providing support, information, advice and assistance throughout the exporting process.

The Government seek to ensure that there is an open and competitive market for coal and coal products across the EU, and to ensure that markets are not distorted by products which do not reflect their production and transport costs. To this end we have encouraged the European Commission to take action against such marketing practices which are supported by unauthorised state aid where there is damage to the export prospects of British coal.

Classic Cars

Mr. Sutcliffe: To ask the Secretary of State for Trade and Industry what exemptions are available to classic car owners from the European End of Life Vehicles Directive. [89436]

Dr. Howells *[holding answer 2 July 1999]:* The proposed End of Life Vehicles Directive would provide for improved recycling and treatment standards for vehicles when they have become waste (as defined under existing legislation). In other words, it would apply only when the owners have decided to discard them. For this reason, no exemptions would be needed for classic cars, and the European Commission has therefore not proposed any such exemptions.

At the Environment Council on 24 June, it was decided to put back a decision on a Common Position on the Directive until the next Environment Council meeting, in recognition of the German Government's concerns over the approach adopted to producer responsibility.

DEFENCE

Efficiency Savings

Mr. Key: To ask the Secretary of State for Defence, pursuant to his answer of 5 May 1999, *Official Report*, column *382*, on efficiency savings, when he will write to the hon. Member. [87586]

Mr. George Robertson: The figures that the hon. Member has requested on savings measures are currently being validated for consideration by my Department's Ministerial Efficiency Steering Group. Once that exercise is complete, I shall write to the hon. Member. As my Department has supplied an illustrative list of efficiency measures for 1998–99 and 1999–2000 to the House of Commons Defence Select Committee, I am unable to make that information available to him until after the Committee have published the information in a Commons Daily Part. We expect that the Committee will make this information available to the House within the next week.

US National Ignition Facility

Mr. Alan Simpson: To ask the Secretary of State for Defence (1) if United Kingdom involvement in the US National Ignition Facility replaces proposals to develop a high powered laser facility at AWE Aldermaston; [87694]

(2) pursuant to his answer to the hon. Member for Birmingham, Edgbaston (Ms Stuart) of 9 June 1999, *Official Report*, columns *329–30*, how much Britain has invested to date in the US National Ignition Facility; and what further investment is planned in each of the next five years; [87693]

(3) if he will list the laser facilities in existence, under construction and proposed for the future at AWE Aldermaston, indicating their primary purpose and how they differ from the US National Ignition Facility. [87695]

Mr. George Robertson: My Department has concluded that, as the cost of building a domestic laser of sufficient power would be unaffordable, we should, in the absence of nuclear testing, invest in the US National Ignition Facility, NIF, in order to make use of its facilities. The precise details of our investment in the NIF have yet to be formalised in a contract with the US. The information requested is, therefore, commercially sensitive. I can, however, say that the investment, to cover a shot rate enhancement programme and the design and construction of a UK target chamber, will be in the region of £100m. This represents an affordable and cost-effective way of discharging the undertaking we gave in the Strategic Defence Review that we would ensure the safety and reliability of our nuclear weapons.

No new laser facility is under construction or planned for AWE Aldermaston. The present laser at Aldermaston, generally known as Helen and opened in 1979, has been used to research the principle of techniques to underwrite the integrity of nuclear warheads in the absence of nuclear testing. It is based on older technology than the NIF which is 600 times more powerful. Helen will be retained until access to NIF is obtained.

Russian Missile Propulsion System

Mr. Page: To ask the Secretary of State for Defence what evidence he has evaluated on the Russian ramjet propulsion system for a beyond visual range air to air missile. [88086]

Mr. George Robertson: The MOD has been aware of the development of a Russian ramjet propulsion system for a beyond visual range air-to-air missile since 1993, when a model, designated RVV-AE-PD, was displayed at the Moscow Airshow. During this year's Paris Airshow, the weapon itself was displayed. Representatives stated that the missile, which is a privately funded programme, had completed testing including ground-launched firings against a target. Air-launched firings had not been carried out due to the high costs involved. They also confirmed that it was now ready to go into production although they had no customers, either in Russia or elsewhere.

We continue to assess the capabilities of this weapon, the development of its associated ramjet propulsion system and the scope for its deployment.

Rosyth (Trident)

Mr. Alan Simpson: To ask the Secretary of State for Defence what is the current status of the emergency dry-docking facility for Trident at Rosyth; and if he will make a statement. [88133]

Mr. George Robertson: Construction work on the Trident contingency docking facility is complete and the facility is in good shape for contingency use to support a Trident docking.

Trawlerman IT Project

Mr. Alan Simpson: To ask the Secretary of State for Defence how much his Department spent on the Trawlerman IT project; for what reasons it was abandoned without use; and if he will make a statement. [88134]

Mr. Spellar: A fixed price contract was let in July 1988 and ultimately the MOD spent £42 million on the Trawlerman IT project. The project experienced serious technical difficulties and delays such that, by the time it was delivered in May 1995, some $3\frac{1}{2}$ years late, it was obsolete. The problems experienced by this project go back to the early 1990s. The Department subsequently acquired a replacement system at a fraction of the cost (£6 million), using a modern off-the-shelf design and applying the lessons learned from the experience of Trawlerman. Lessons have been learnt and procurement procedures have been improved with the introduction of the Smart Procurement Initiative launched earlier this year under the Strategic Defence Review. Further information is contained in the Eighteenth Report, Session 1988–99 of the Committee of Public Account on the Ministry of Defence: Appropriation Accounts 1997–98.

Sellafield

Mr. Alan Simpson: To ask the Secretary of State for Defence what use is made of the plutonium recycling facilities at Sellafield for plutonium from old nuclear weapons; and if he will make a statement. [88143]

Mr. Spellar: No use is made of facilities at Sellafield for the recycling of plutonium from decommissioned nuclear weapons. The recovery of this material is undertaken at the Atomic Weapons Establishment.

US Atomic Co-ordinating Offices

Mr. Alan Simpson: To ask the Secretary of State for Defence what are the annual operating costs of the US Atomic Co-ordinating Offices in London and Washington; and how many staff are currently employed in each office. [88135]

Mr. George Robertson: The details requested are as follows:

Atomic Control Office, London

Staff	*Number*
Senior Executive Officer	[1]0.5
Executive Officer	1
Administrative Officer	1
Administrative Assistants	4

[1] This official has other duties in addition to his responsibilities as Head of Atomic Control Office, London

Atomic Co-ordinating Office, Washington

Staff	*Number*
Unified Grade 6	1
Unified Grade 7	1
Executive Officer	1
Administrative Officer	1

The annual running costs of the London and Washington offices are £122,000 and £263,000 respectively.

Joint Working Groups (USA)

Mr. Alan Simpson: To ask the Secretary of State for Defence if he will provide *(a)* a list of all joint working groups with the United States Department of Defense currently in existence, *(b)* a brief explanation of the purpose of each one and *(c)* the number of meetings that have occurred in the last two years. [88131]

Mr. George Robertson: The information is not held centrally and could be provided only at disproportionate cost.

Trident

Mr. Alan Simpson: To ask the Secretary of State for Defence if he will explain the purpose of payments made to the US Government under the heading Trident Refit Feasibility Study; and if he will provide the total cost of this item. [88144]

Mr. George Robertson: I refer my hon. Friend to the answers my hon. Friend the Under-Secretary of State for Defence gave him on 28 July 1998, *Official Report*, columns *200–02*. The total we expect to pay for these studies remains in the region of £850,000, subject to exchange rate variations.

Airlift Programme

Mr. Hoyle: To ask the Secretary of State for Defence how many companies will be on the tender list for the Strategic Short-Term Airlift Programme; and when the list will be announced. [88311]

Mr. Spellar: The Ministry of Defence received expressions of interest from nine companies in response to the MOD Contracts Bulletin published in July 1998. The Invitation to Tender was issued to seven companies on 30 September 1998. Five tenders were received by the closing date of 29 January 1999 from Air Foyle, Airbus Transport International, Boeing in conjunction with British Aerospace, IBP Airlift Ltd. and Rolls Royce. The tenders are currently being assessed.

Antonov 124

Mr. Hoyle: To ask the Secretary of State for Defence if the Antonov 124 has military aircraft release. [88309]

Mr. Spellar: There are currently two variants of the Antonov 124: the basic version used by the Russian armed forces and others, and the An 124–100 used by civil operators. Neither has a UK Military Aircraft Release.

Kosovo

Mr. Rowlands: To ask the Secretary of State for Defence how many targets were hit in Montenegro; and of what types. [88456]

Mr. George Robertson: UK forces were involved only in attacks on Podgorica airfield.

Mr. Rowlands: To ask the Secretary of State for Defence what estimate he has made of the destruction as a result of NATO action of civilian infrastructure in Montenegro; and if he will make a statement. [88457]

Mr. George Robertson: No estimate has been made of any damage to the civilian infrastructure of Montenegro during the course of the air campaign. NATO targeted only military related objectives.

Mr. Llew Smith: To ask the Secretary of State for Defence what estimate he has made of the number of cluster bombs dropped by NATO in Operation Allied Force on Kosovo that did not explode; and what methods are being used to locate and disarm the unexploded NATO ordnance in Kosovo. [88597]

Mr. George Robertson: I am not in a position to comment on NATO air forces as a whole. However, the RAF dropped some 500 RBL755 cluster weapons during Operation Allied Force, each containing 147 bomblets. Research trials of the equivalent weapon (BL755) when used at low level indicate that approximately 5 per cent. of the bomblets are likely to fail to detonate. However, when used at medium level as during Operation Allied Force, the failure rate is expected to be lower given that the impact angles and velocities are greater, and could be as low as 1 per cent.

UK explosive ordnance disposal operators use visual and sub surface instrument detection to locate unexploded ordnance. The preferred disposal method is to destroy the ordnance in situ.

Mr. Frank Cook: To ask the Secretary of State for Defence what is his latest assessment of *(a)* the extent of contamination of land in Kosovo by land mines, unexploded ordnance and improvised explosive devices and *(b)* the risk posed by these to returning refugees and displaced persons. [87374]

Mr. George Robertson: The full extent of the problem has yet to be determined. However, there is considerable contamination of the land in Kosovo, particularly by land mines, and especially in border areas. These pose a serious threat to everyone in Kosovo. Known areas are being marked and a mine awareness programme is being implemented, which includes advice on minimising the risk from mines and unexploded ordnance.

Front-line Troops

Mr. Laurence Robertson: To ask the Secretary of State for Defence what is his projection on the strength of the Army in terms of front-line troops, for the next three years, taking into account any increase in premature voluntary release which may occur as a result of the extra deployments in Kosovo; and if he will make a statement. [88622]

Mr. Doug Henderson: *[holding answer 28 June 1999]*: The forecast of trained strength of the Army over the next three years is:

Year	*Amount*
April 2000	100,271
April 2001	102,058
April 2002	103,670

The figures represent the forecast of all UK trained Army personnel and Gurkha trained personnel. "Frontline" is not a recognised description of any part of the Army.

Although it is still too early to measure the effect of deployment of troops to Kosovo on Premature Voluntary Release (PVR) rates, we are taking a number of measures to reduce overstretch, which is recognised as one of the causes of high PVR rates.

Yugoslav Military Equipment

Mr. Duncan Smith: To ask the Secretary of State for Defence what estimate his Department has made of how

many Yugoslav *(a)* tanks, *(b)* surface-to-air missiles, *(c)* fighter aircraft, *(d)* armoured infantry fighting vehicles, *(e)* armoured personnel carriers, *(f)* towed artillery pieces, *(g)* self propelled artillery pieces and *(h)* helicopters were destroyed in *(i)* Kosovo, (ii) the Republic of Serbia, excluding Kosovo and (iii) Montenegro during Operation Allied Force. [88782]

Mr. George Robertson *[holding answer 28 June 1999]:* I refer the hon. Member to the answer I gave on 30 June 1999, *Official Report,* column *160* to my hon. Friend the Member for Linlithgow (Mr. Dalyell).

Statutory Instruments

Dr. Fox: To ask the Secretary of State for Defence what percentage of statutory instruments introduced by his Department into Parliament in *(a)* 1998, *(b)* 1992, *(c)* 1985 and *(d)* 1973 had the European Union as their legislative source. [89161]

Mr. George Robertson: My Department introduced into Parliament three statutory instruments in 1998, six in 1992, five in 1985, and four in 1973. None had the European Union as its legislative source.

Centre for Defence Medicine

Mr. Dawson: To ask the Secretary of State for Defence when he expects an invitation to tender to be issued to the seven NHS trusts recently shortlisted by his Department as potential partners for the Centre for Defence Medicine; and if he will make a statement. [90047]

Mr. Doug Henderson: An Invitation to Tender is being issued today to the following NHS Trusts:

Guy's and St. Thomas's Hospital Trust

Leeds Teaching Hospitals NHS Trust

North Bristol NHS Trust

Oxford Radcliffe Hospitals

The Lothian University Hospitals Trust (Edinburgh)

The Newcastle-Upon-Tyne Hospitals NHS Trust

University Hospitals Birmingham Trust.

The Trusts were selected by my Department from an original list of 18 that had expressed interest in becoming the host for the Centre for Defence Medicine. Tenders will be due for return by 5 October 1999.

The issuing of the Invitation to Tender is an important milestone in the development of the Centre for Defence Medicine, whose establishment is a fundamental element of the new strategy for the Defence Medical Services announced by my right hon. Friend the Secretary of State for Defence in December 1998. The Centre will have important academic, research and training roles as well as a significant clinical function, and will become a professional focus for medical personnel in the Armed Forces. We also envisage that the Centre will develop an international reputation for excellence in military medicine. Our aim is to have the formal Customer Service Agreement in place with our chosen partner by 1 April 2000 with a view to opening the Centre for Defence Medicine on 1 April 2001.

FOREIGN AND COMMONWEALTH AFFAIRS

Common Foreign and Security Policy

Mr. Mitchell: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 18 June 1999, *Official Report,* column *264,* concerning the purposes of the proposed European Union Political and Security Committee and associated Institute for Security Studies, if he will list *(a)* the date, nature, status and attendance of the meeting at Petersberg, *(b)* the ministerial attendance from the United Kingdom, and reference to the consequential statement in any parliamentary proceeding and *(c)* the scope and definition of the tasks in executing an integrated and single Union policy for foreign defence, security and military activity in aid of peace keeping and crisis management as defined in the consolidated Treaty on European Union. [88683]

Mr. Hoon: The meeting at Petersberg was a ministerial meeting of the Western European Union. It took place on 19 June 1992. The United Kingdom was represented by the right hon. Douglas Hurd MP, then Secretary of State for Foreign and Commonwealth Affairs, and the right hon. Malcolm Rifkind MP, then Secretary of State for Defence.

The Treaty on European Union provides for the Union to define and implement a common foreign and security policy, covering all aspects of foreign and security policy: and for the common foreign and security policy to include all questions related to the security of the Union, including the progressive framing of a common defence policy, and that this shall include humanitarian and rescue tasks, peacekeeping tasks and tasks of combat forces in crisis management, including peacemaking. These are the "Petersberg tasks". The Treaty on European Union further provides for the Union to avail itself of the Western European Union to elaborate and implement actions of the Union which have defence implications.

The "Petersberg tasks" are referred to in the European Council Declaration on Strengthening the Common European Policy on Security and Defence issued at Cologne on 4 June. The Declaration also outlines the objectives of future work within the European Union in order to enable the European Union to undertake these tasks.

Sudan

Mr. Key: To ask the Secretary of State for Foreign and Commonwealth Affairs when *(a)* he, *(b)* his Ministers and *(c)* his officials recently met representatives of the Government of the Sudan; what was discussed; when normal diplomatic relations will be restored; and if he will make a statement. [89150]

Mr. Hoon: Dr. Hassan Abdeen, Under-Secretary at the Sudanese Ministry of External Relations, visited London during the week beginning 21 June. He paid a courtesy call on me and had other meetings with officials.

Discussions covered a wide range of issues and on 25 June a joint statement was released announcing agreement to the return of British and Sudanese staff to Khartoum and London. This is an important step in normalising relations between the two countries.

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what reports he has received of the state of the ceasefire in the Nuba Mountains, Southern Blue Nile and Western Upper Nile regions of Sudan. [89523]

Mr. Hoon: The ceasefire in southern Sudan, first agreed during the visit to the region of the late Derek Fatchett in July 1998 and recently confirmed at a meeting between the UN, the Government of Sudan and the Sudan Peoples Liberation Army, relates to Bahr el Ghazal.

We shall continue to press for a comprehensive ceasefire throughout Sudan.

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what reports he has received concerning the treatment of Sudanese people in the peace camps in the Nuba Mountains in Sudan. [89520]

Mr. Hoon: Owing to the difficulty of access, we receive few reports on the situation in the Nuba Mountains. However, a UN assessment mission did visit very recently. I look forward to seeing their report.

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what reports he has received on the progress of oil excavations in southern Sudan by Western oil companies. [89524]

Mr. Hoon: Oil exploration has been going on in southern Sudan for some time. A pipeline has recently been built from fields to the Red Sea coast. I understand that oil is likely to flow through the pipeline in the near future.

Statutory Instruments

Dr. Fox: To ask the Secretary of State for Foreign and Commonwealth Affairs what percentage of statutory instruments introduced by his Department into Parliament in *(a)* 1998, *(b)* 1992, *(c)* 1985 and *(d)* 1973 had the European Union as their legislative source. [89167]

Ms Quin: The total number of Statutory Instruments (SIs) registered as General Instruments in 1998, 1992, 1985 and 1973 is listed in the following table. I have indicated where information is available, the number of SIs which were made by my Department to comply with European Community obligations.

Year	*Number of SIs*	*Number implementing EC obligations*
1998	1,565	5
1992	1,692	2
1985	1,204	3
1973	1,260	2

Loizidou *v.* Turkey Judgment

Mr. Cox: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Her Majesty's Government's policy in respect of the Loizidou *v.* Turkey judgment by the European Court of Human Rights. [89389]

Ms Quin: Responsibility for implementing the judgment in Loizidou *v.* Turkey lies with Turkey. We take such responsibilities seriously, as with all obligations in the Council of Europe, and expect other members to do likewise. We continue to make clear to Turkey, including in the Committee of Ministers' Deputies, the need to respect the Court's judgment.

The Chairman of the Committee of Ministers' Deputies wrote to the Turkish Foreign Minister on 22 June requesting information on how Turkey intended to satisfy its obligations in this case. The Government fully supported this action.

Kosovo

Mr. Winnick: To ask the Secretary of State for Foreign and Commonwealth Affairs how many civilian Serbs in Kosovo have been unlawfully killed since NATO troops entered. [89602]

Mr. Tony Lloyd *[holding answer 2 July 1999]:* KFOR are aware of a number of incidents where Serb civilians have been killed by Kosovo Albanians and are taking measures to ensure the security of all citizens. At present, no verifiable figures are available.

As the answer I gave to my hon. Friend on 2 July 1999, *Official Report*, column *314* made clear, steps are being taken to reassure Serb civilians in Kosovo.

Mr. Winnick: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps are being taken to establish an armed international police force in Kosovo. [89603]

Mr. Tony Lloyd *[holding answer 2 July 1999]:* UN Security Council Resolution 1244 authorised the UN Secretary General to establish an international civil presence in Kosovo, with responsibility inter alia for maintaining civil law and order, including through the establishment of local forces and meanwhile through the deployment of international police personnel. It was agreed at the Friends of Kosovo meeting in New York on 30 June that the United Nations Mission in Kosovo should acquire the capacity to take over responsibility for public security from KFOR as soon as possible.

The UN Secretariat has recommended that UN police officers serving in Kosovo should be armed for self-defence purposes, but has left the final decision to UN members. The Foreign Secretary has already announced that the UK is willing to provide 60 police officers to recruit, to train and to monitor a civil police force in Kosovo.

EU Business

Mr. Stinchcombe: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the forthcoming business in the Council of the European Union for July, and the major European Union events for the next six months. [90107]

Mr. Trickett: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the forthcoming business in the Council of the European Union for July, and the major European Union events for the next six months. [90108]

Mr. Hoon: The business is as follows:

Monthly forecast of business

July 1999	*Venue*	*Event*
2–3	Oulu	Industry and Research Ministers (Informal)
9–10	Oulu	Labour/Social Affairs Ministers (Informal)
12	Brussels	ECOFIN
16	Brussels	Budget Council
18–20	Savonlinna	Culture and Audiovisual Ministers (Informal)
19–20	Brussels	General Affairs Council
19–20	Brussels	Agriculture Council
20–23	Strasbourg	European Parliament Plenary
23–25	Helsinki	Environment Ministers (Informal)
28	Brussels	Preparatory Meeting for EU-ACP Ministerial Meeting on 29–30 July
29–30	Brussels	EU-ACP Ministerial Meeting

No agendas have yet been circulated for the above meetings

European Calendar: July-December 1999

This calendar is primarily concerned with European Union matters, but certain other relevant events are also included. Events and dates quoted are based on the information available on the date of issue.

Date	*Venue*	*Event*
2–3	Oulu	Industry and Research Ministers (Informal)
9–10	Oulu	Labour/Social Affairs Ministers (Informal)
12	Brussels	ECOFIN
16	Brussels	Budget Council
18–20	Savonlinna	Culture and Audiovisual Ministers (Informal)
19–20	Brussels	General Affairs Council
19–20	Brussels	Agriculture Council
20–23	Strasbourg	European Parliament Plenary
23–25	Helsinki	Environment Ministers (Informal)
28	Brussels	Preparatory Meeting for EU-ACP Ministerial Meeting on 29–30 July
29–30	Brussels	EU-ACP Ministerial Meeting
August 1999		
No Council Business		
September 1999		
4–5	Saariselka	Foreign Ministers (Informal)
10–11	Turku	ECOFIN (Informal)
12–14	Tampere	Agriculture Ministers (Informal)
13–14	Brussels	General Affairs Council
13–17	Strasbourg	European Parliament Plenary
16–17	Turku	Justice and Home Affairs Ministers (Informal)
24–25	Tampere	Education Ministers (Informal)
27–28	Kuopio	Ministers of Housing
27–28	Brussels	Agriculture Council
30 September–1 October	Helsinki	Ministerial Conference on Equality between Women and Men
October 1999		
1	Florence	Trade Ministers (Informal)
4–5	Luxembourg	Justice and Home Affairs Council
4–5	Tampere	Regional Policy Ministers
4–8	Strasbourg	European Parliament Plenary
6	Luxembourg	Transport Council
8	Luxembourg	ECOFIN
11–12	Luxembourg	General Affairs Council
11–12	Luxembourg	Environment Council
15–16	Tampere	Special European Council
18–19	Luxembourg	Agriculture Council
22	Luxembourg	Labour/Social Affairs Council
24–25	Helsinki	Energy Ministers Task Force Meeting
25–29	Strasbourg	European Parliament Plenary
26	Luxembourg	Fisheries Council
28	Luxembourg	Research Council
29	Luxembourg	Justice and Home Affairs Council
November 1999		
3–4	Brussels	European Parliament Plenary
8	Brussels	ECOFIN
8	Brussels	Consumer Affairs Council
9	Brussels	Industry Council
11	Brussels	Development Council
12	Brussels	Labour and Social Affairs Council (possible)
11–12	Helsinki	Ministerial Conference on the Northern Dimension
15–16	Brussels	Agriculture Council
15–16	Brussels	General Affairs Council
15–19	Strasbourg	European Parliament Plenary
18	Brussels	Health Council
19	Brussels	Youth Council
22	Brussels	Fisheries Council (possible)
22–23	Brussels	EU-ACP Ministerial Meeting (possible)
23	Brussels	Culture and Audiovisual Council
26	Brussels	Budget Council
26	Brussels	Education Council
29	Brussels	ECOFIN
29	Brussels	Labour and Social Affairs Council
30	Brussels	Telecommunications Council
December 1999		
1–2	Brussels	European Parliament Plenary
2	Brussels	Energy Council
2–3	Brussels	Justice and Home Affairs Council
6–7	Brussels	General Affairs Council
7	Brussels	Internal Market Council
9–10	Brussels	Transport Council
10–11	Helsinki	European Council
13–14	Brussels	Environment Council
13–17	Strasbourg	European Parliament Plenary
14–15	Brussels	Agriculture Council
16–17	Brussels	Fisheries Council

Indonesia

Mr. Jim Cunningham: To ask the Secretary of State for Foreign and Commonwealth Affairs what role the Government played in monitoring the recent elections in Indonesia; and if he will make a statement. [89207]

Mr. Hoon: We provided almost £2m in electoral assistance to Indonesia, making us the fourth largest national contributor overall and the largest European contributor. Bilateral projects included substantial support for the student-based election monitoring group UNFREL, which fielded over 100,000 domestic monitors; and financial support for an election media monitoring project, organised by the International NGO Article XIX.

This bilateral assistance was in addition to our contribution to the European Union's 7m euros electoral assistance package. We also nominated five British election observers who formed part of the European Community's election observer team.

Mr. Jim Cunningham: To ask the Secretary of State for Foreign and Commonwealth Affairs what role the Government played in improving electoral administration in Indonesia. [89208]

Mr. Hoon: As part of the £2m bilateral electoral assistance package, referred to in my written answer to the hon. Member today (ref 89207), we provided funding for a pre-election programme of in-country workshops on cross-party lines for Indonesian political parties run by the Westminster Foundation for Democracy, with the co-operation of hon. Members. This helped to develop a code of conduct for political parties as well as address issues of transparency, policy formulation and financial integrity. We also provided financial support for voter education programmes, including some aimed specifically at reaching women and first-time voters.

Working Time Directive

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs what estimate he has made of the costs to his Department of complying with the Working Time Directive in all foreign posts. [89870]

Mr. Tony Lloyd: No additional financial costs have been incurred so far.

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if all British embassies are applying the Working Time Directive. [89871]

Mr. Tony Lloyd: All UK-based staff in overseas posts are subject to the provisions of the Working Time Directive and Regulations. Guidance for staff and managers on their application has been circulated.

Arms Exports

Mr. Hancock: To ask the Secretary of State for Foreign and Commonwealth Affairs how many F680 applications for clearance to promote products for export were (i) made, (ii) approved and (iii) refused in 1998. [86205]

Mr. Spellar: I have been asked to reply.

I will write to the hon. Member and a copy of my letter will be placed in the Library of the House.

SOCIAL SECURITY

Jobseeker's Allowance

17. **Mr. Clapham:** To ask the Secretary of State for Social Security when he expects to announce changes to the Jobseeker's Allowance to allow those who lose their job because of insolvency to claim the allowance. [88042]

Angela Eagle: We are aware of the effect of the JSA rules in this area and are considering the matter in conjunction with the Department of Trade and Industry to see whether any changes can be made. There are, however, complex issues to be resolved. Meanwhile, there are existing safeguards to protect those most in need as payments can be made if hardship would otherwise result.

Ms Roseanna Cunningham: To ask the Secretary of State for Social Security if school ancillary staff who were in term-time employment were entitled to claim Jobseeker's Allowance during the summer vacation of 1998; whether they are entitled to claim it during the summer vacation of 1999; if he will list the changes to Jobseeker's Allowance rules over the last 18 months which affect term-time employees; and if he will make a statement. [89288]

Angela Eagle: There has been no change to the Jobseeker's Allowance Regulations in the past 18 months specifically relating to term-time employees.

However, an independent Social Security Commissioner has recently decided that people who are not entitled to Jobseeker's Allowance during term-time because of the number of hours they work, are also not entitled to benefit during holiday periods. In deciding claims for Jobseeker's Allowance, adjudication officers are legally bound to follow this interpretation of the law.

School ancillary staff may claim Jobseeker's Allowance during the 1999 summer vacation. This position has not changed since 1998. Whether such claims result in entitlement to benefit will depend upon the circumstances of each individual case. Where any doubt exists about entitlement to benefit, individual school ancillary staff should claim.

State Pension (Over-80s)

18. **Mr. Bob Russell:** To ask the Secretary of State for Social Security what plans he has to increase the state pension to those aged 80 years and above. [88043]

Mr. Timms: Our priority is to help those pensioners who are the least well off. Our minimum income guarantee for pensioners over 80, delivered through Income Support, is £82.25 for single people and £125.30 for couples. After next year's earnings uprating of the guarantee, pensioner couples over 80 will be around £8 a week better off in real terms than before the guarantee was introduced. Older pensioners will also benefit from the £100 winter fuel payment to be paid to every pensioner household before Christmas.

Lone Parents

19. **Mr. White:** To ask the Secretary of State for Social Security what measures his Department is taking to assist lone parents to get work. [88044]

Mr. Darling: We are taking a wide range of action to help lone parents into work. These include the New Deal for Lone Parents programme which has helped over 16,500 lone parents into work and changes to the benefits rules from this October, which will allow lone parents to have a two week run-on of Income Support when they start work.

Disabled People (Pensions)

20. **Ms Kelly:** To ask the Secretary of State for Social Security what proposals he has to improve the pensions of people forced to leave work through long-term disability. [88045]

Mr. Bayley: Currently, those who are in receipt of certain disability benefits can earn credits towards their basic State Retirement Pension.

The Pensions Green Paper published in December set out our proposals to extend the new State Second Pension to long-term disabled people with broken work records. They will receive flat-rate credits subject to a

simple contribution test. This will represent a significant improvement in the financial position of disabled people in retirement.

Social Security Fraud

21. **Mr. Michael Jabez Foster:** To ask the Secretary of State for Social Security what plans he has to improve co-ordination between the Benefits Agency and Local Authorities in combating fraud. [88048]

Mr. Timms: We regard improved co-operation across Government, as well as with Local Authorities, as fundamental to our anti-fraud work. We are continuing to encourage and develop strong links between the Benefits Agency and Local Authorities. For example, we have installed 360 Random Access Terminals in 349 Local Authorities to facilitate the exchange of data between the Benefits Agency and Local Authorities. More widely, the Government are helping Departments, Local Authorities and the private sector to work more closely together to combat fraud across the range of welfare services. There is a continuing work programme to measure the size of the security problem facing welfare services, to ensure that Departments know what type of data each holds and to explore new ways of working in concert to fight fraud and uphold compliance with the law. An Inter-Ministerial Group on Welfare Fraud was announced in July 1998 to oversee this work.

Child Support Agency

22. **Mr. Sutcliffe:** To ask the Secretary of State for Social Security what plans he has to improve the performance of the Child Support Agency. [88054]

Angela Eagle: My right hon. Friend the Secretary of State for Social Security set out our plans to reform the child support system in the White Paper published last week.

Mr. Hunter: To ask the Secretary of State for Social Security if he will make a statement on the working of the Child Support Agency. [88021]

Angela Eagle: My right hon. Friend the Secretary of State for Social Security announced our plans for reform last week. These will put children's rights at the centre of child support and get money to a million children who today miss out.

Widows Benefits

23. **Mr. Gray:** To ask the Secretary of State for Social Security if he will make a statement on the proposed changes to widows benefits. [88049]

Angela Eagle: Our proposed changes will modernise the present, out-dated widows benefits scheme, which was devised over 50 years ago and has altered little despite the enormous changes in society.

We will continue to provide support to bereaved people. Our reforms will concentrate help available from the State where and when it is most needed: on immediate needs and on children and families. Importantly, our reforms will give equal treatment to married men and women; making bereavement benefits available to men for the first time.

Pension Reform

24. **Dr. Julian Lewis:** To ask the Secretary of State for Social Security if he will make a statement on his proposals for pension reform. [88050]

Mr. Timms: Our strategy for a fundamental reform of the pensions system was set out in the pensions Green Paper "A New Contract for Welfare: Partnership in Pensions" published before Christmas. It is based on the principle that everyone who can save for his or her retirement has a responsibility to do so. In turn we have a responsibility to provide security in retirement for those who cannot save enough. Our proposals are based on four interlinked pillars:

the contributory Basic State Pension, increased at least in line with prices, will remain the key building block of the pension system.

the Minimum Income Guarantee, delivered through Income Support, which will provide an income floor below which no pensioner without savings will fall, and we aim to uprate that guarantee in line with earnings as resources permit. The new Minimum Income Guarantee will form the target which we want people to beat through their pension provision and they will do that in different ways.

a new State Second Pension to replace SERPS. State Second Pension will ensure that everybody who has worked and contributed throughout their working lives will have an income on retirement above the level of the Minimum Income Guarantee. People caring for a disabled person or bringing up children aged five and under, and disabled people with broken work records, will get credits for State Second Pension.

Stakeholder Pension schemes, which will provide good value, reliable funded pensions for people for whom no suitable funded scheme is available.

We believe that for most people on moderate and higher incomes it is a funded pension that offers them the best prospects for their income in retirement and that is why we are determined to ensure that those people who today can save for their retirement have the framework in which to do so. Stakeholder Pension schemes will combine the low overheads and high security of occupational pensions with the flexibility of the best of personal pensions, and will be available to all. They will be particularly designed to help those on middle incomes, those earning roughly between £9,000 and £20,000 a year, but will benefit those on higher incomes as well. Once secure low-cost value for money Stakeholder Pension Schemes have become established, we expect the State Second Pension will no longer be earnings-related but paid at a flat rate.

Occupational pension schemes are one of the main reasons for the improvement in pensioners' incomes over the recent decades and will continue to play a vital role. We want to build on the success of traditional occupational schemes. In the "Strengthening the Occupational Pensions Framework" consultation paper that was published on the day after the pensions Green Paper we set out a number of proposals to strengthen and simplify the regulation of occupational schemes.

Our objective is to bring the UK pensions system up to date and to make sure that after a lifetime of hard work people do not arrive at retirement certain to depend on income-related benefits. We are determined to ensure that everyone has a decent income in retirement and these objectives are at the heart of the Pensions Green Paper we published in December.

Housing Benefit

26. **Mr. Campbell-Savours:** To ask the Secretary of State for Social Security what recent representations he has received from landlords on the reform of housing benefit. [88052]

Angela Eagle: I have received representations from landlords on a number of aspects of Housing Benefit. I welcome these representations. It is important that we understand the effect of Housing Benefit on landlords as well as tenants, as we consider proposals to reform the system.

Welfare Reform

27. **Mrs. Roe:** To ask the Secretary of State for Social Security what recent representations he has received on his proposals for reform of the benefits system. [88053]

Mr. Timms: We have received numerous representations on our recent proposals for reform from organisations, academic bodies, MPs and members of the public towards our central aim of work for those who can and security for those who cannot. Over 4,000 responses have been received in total to formal consultation exercises on welfare reform since March 1998.

Minimum Incomes

29. **Mr. Simon Hughes:** To ask the Secretary of State for Social Security when and how he last assessed the minimum income needed by *(a)* young people, *(b)* single people, *(c)* couples, *(d)* pensioners, *(e)* people with disabilities and *(f)* people with dependants; and how his conclusions relate to social security rates. [88056]

Angela Eagle: Benefit rates are reviewed annually. Our welfare reform programme aims to tackle the root causes of poverty, help people to earn a decent income through work and provide security for those unable to work. We have introduced improvements in benefits for pensioners through the Minimum Income Guarantee, and announced plans for a new Disability Income Guarantee. We have also increased support for families with children through the tax and benefit systems.

Disabled Children

30. **Mr. Dismore:** To ask the Secretary of State for Social Security if he will make a statement on the level of support given to children with disabilities. [88057]

Mr. Bayley: The level of financial support given to a disabled child is dependent upon the circumstances of the case. There is a wide range of financial assistance available which contributes towards the extra costs faced by families of disabled children and which includes:

Disability Living Allowance which provides a contribution towards the extra costs incurred because of the effects of disability. The Welfare Reform and Pensions Bill, currently before Parliament, provides that the age limit for entitlement to the higher rate mobility component of Disability Living Allowance will be lowered to the age of three, giving help to an additional 8,000 children.

Within Income Support, income based Jobseeker's Allowance, Housing Benefit and Council Tax Benefit, groups identified as likely to have extra expenses receive help through the disability premium structure. The new Disability Income Guarantee will provide extra help in these premiums for families with disabled children getting the highest rate of the care component of Disability Living Allowance.

Help is also available from the Family Fund Trust. This is funded by the UK Health Departments and has been allocated over £24 million for 1999–2000. It provides grants to low-income families with severely disabled children to enable them to continue to care for them at home.

Pensioner Support

31. **Dr. Naysmith:** To ask the Secretary of State for Social Security what plans he has to help the poorest pensioners; and if he will outline a timetable for introducing the new measures. [88058]

Mr. Timms: We have already announced that next April the minimum income guarantee, delivered through Income Support, will rise in line with earnings, demonstrating our determination that the least well-off pensioners should share in rising national prosperity.

We are currently considering options for encouraging more pensioners to claim the Income Support they are entitled to. We are also looking at ways in which the rules on the treatment of savings can be changed to better reward those pensioners who have managed to save a modest amount for their retirement.

We will be bringing forward our plans on these measures in due course.

Maternity Costs

32. **Mr. Hope:** To ask the Secretary of State for Social Security what plans he has to assist mothers with the costs of maternity. [88059]

Mr. Bayley: We are extending Maternity Allowance to women who earn £30 a week or more and increasing it for self-employed women, who currently receive less benefit than employed women.

The existing Social Fund Maternity Payment will be replaced with a Sure Start Maternity Grant from April 2000 and doubled from £100 to £200 for each child.

These improvements will give low-earning mothers-to-be some financial help towards the costs of a new baby, enable them to take their full entitlement to maternity leave and help them achieve a better balance between work and family life.

Invalidity Benefit

33. **Sir Teddy Taylor:** To ask the Secretary of State for Social Security how many persons had their invalidity benefit cancelled in the most recent annual period for which figures are available. [88060]

Mr. Bayley: I refer the hon. Member to the written answer I gave to my hon. Friend the Member for Tooting (Mr. Cox) on 31 March 1999, *Official Report*, column *839*.

Stakeholder Pensions

Mr. Webb: To ask the Secretary of State for Social Security what proportion of the proposed 1 per cent. maximum charge for stakeholder pensions is intended to cover the costs of advice. [88051]

Mr. Timms: We want to set the overall charge limit at a level which will, over time, allow stakeholder pension schemes to meet the cost of delivering a number of services, including information and basic advice, to potential members. These costs are likely to vary from scheme to scheme and it would not be sensible to specify what proportion of the charge should be used to provide each element.

We will be consulting further on the advice arrangements for stakeholder schemes, including defining what basic advice should cover. The final decision on the overall limit on charges will be made in the light of this further work.

Pensioners (Benefit Take-up)

Mr. Evans: To ask the Secretary of State for Social Security what steps he is taking to ensure that pensioners receive the benefits to which they are entitled. [88055]

Mr. Timms: We undertook pilot projects and research last year to understand more about why many pensioners do not claim the Income Support they are entitled to, and what could be done to improve this situation. We are currently exploring options for further activity to encourage more pensioners to claim, and we will be bringing forward our plans in due course.

Departmental Spending

Ms Roseanna Cunningham: To ask the Secretary of State for Social Security if he will provide a breakdown of total spending on each benefit provided by his Department and on central, regional and agency administration costs in each of the last three years. [89075]

Mr. Timms: A breakdown of total spending on each benefit provided by Department of Social Security grouped by the Departmental objectives is published in Tables 9 and 10 (pages 117 to 1720) of the Social Security Departmental Report (The Government's Expenditure Plans—1999/2000).

DSS running cost expenditure for its central (HQ) and Agencies for the period 1996–97 to 1998–99

£ million

	1996–97	*1997–98*	*1998–99* [1]
Central (HQ)	77	87	[2]-112
Benefits Agency	1,862	1,743	1,800
Child Support Agency	212	211	208
Contributions Agency	15	[3]-4	3
War Pensions Agency	36	33	28
Information Technology Services Agency (purchaser function)	16	16	15

[1] Estimated outturn
[2] Net of PRIME receipts of £250 million
[3] All of Contributions Agency costs are recoverable, in the main from the National Insurance Fund, however this may not occur in the year of expenditure. Contributions Agency was transferred to Inland Revenue on 1 April 1999.
Note:
The Department does not allocate its running cost funding on a regional basis

Tax-benefit Model Tables

Mr. Goggins: To ask the Secretary of State for Social Security if he will publish tax-benefit model tables (1) under the system operating when the Working Families Tax Credit is introduced for a married couple with two children aged under 11, with average council tax and a mortgage of (i) £35,000, (ii) £45,000 and (iii) £55,000, where there is *(a)* no earner, *(b)* one earner on £3 per hour and *(c)* one earner on £3.60 per hour and where, if there is an earner, he works for (A) five hours, (B) 10 hours, (C) 15 hours, (D) 20 hours, (E) 25 hours, (F) 30 hours, (G) 35 hours, (H) 40 hours, (I) 45 hours and (J) 50 hours; [89308]

(2) if he will publish tax-benefit model tables under the existing system for a lone mother with two children aged under 11, who is an owner-occupier with a mortgage of *(a)* £35,000, *(b)* £45,000 and *(c)* £55,000, paying average council tax, where her earnings as *(a)* nil, *(b)* £3 per hour and *(c)* £3.60 per hour, where, if she is an earner, she works for (i) five hours, (ii) 10 hours, (iii) 15 hours, (iv) 20 hours, (v) 25 hours, (vi) 30 hours, (vii) 35 hours, (viii) 40 hours, (ix) 45 hours and (x) 50 hours and where, if she is an earner, she has childcare costs of (A) £20, (B) £30, (C) £40, (D) £50 and (E) £60. [89310]

(3) under the present system for a married couple with two children aged under 11, with average council tax and a mortgage of (i) £35,000, (ii) £45,000 and (iii) £55,000, where there is *(a)* no earner, *(b)* one earner on £3 per hour and *(c)* one earner on £3.60 per hour and where, if there is an earner, he works for (1) five hours, (2) 10 hours, (3) 15 hours, (4) 20 hours, (5) 25 hours, (6) 30 hours, (7) 35 hours, (8) 40 hours, (9) 45 hours and (10) 50 hours; [89307]

(4) under the system operating when the Working Families Tax Credit is introduced for a lone mother with two children aged under 11, who is an owner-occupier with a mortgage of *(a)* £35,000, *(b)* £45,000 and *(c)* £55,000, paying average council tax, where her earnings are (i) nil, (ii) £3 per hour and (iii) £3.60 per hour, and where, if she is an earner, she works for (A) five hours, (B) 10 hours, (C) 15 hours, (D) 20 hours, (E) 25 hours, (F) 30 hours, (G) 35 hours, (H) 40 hours, (I) 45 hours and (J) 50 hours and where, if she is an earner, she has childcare costs of (1) £20, (2) £30, (3) £40, (4) £50 and (5) £60. [89311]

Angela Eagle: The information is not available as the Department's Tax-Benefit Model Tables are not produced in respect of owner-occupiers who have mortgages.

Personal Data

Mr. Cohen: To ask the Secretary of State for Social Security if he will request the Audit Commission to keep records with respect to each data matching programme undertaken or investigated which contains *(a)* the total number of individuals whose personal data were matched, *(b)* the number of matches which resulted in no further action, *(c)* the number of matches which required further investigation by staff, *(d)* the number of matches which following such investigation resulted in no further action, *(e)* the number of withdrawn claims or prosecutions identified by data matching, *(f)* the cost of the data matching programme including all direct and indirect staff costs and (h) the amounts saved by the data matching programme. [89592]

Mr. Timms: The Audit Commission's National Fraud Initiative which was carried out in 1996, 1997 and 1998 will help to provide this type of information. The Audit Commission are due to publish a report on the outcome of this work in late 1999.

Compensation

Mr. Willetts: To ask the Secretary of State for Social Security if he will list the matters within his Department's responsibility in respect of which it has had to pay out compensation to members of the public since May 1997. [89708]

Mr. Timms: Compensation has been paid to members of the public on a number of areas since 1997. A great many of these payments stem from problems that arose before May 1997, including the NIRS2 computer system.

Mr. Willetts: To ask the Secretary of State for Social Security how much compensation has been paid to people who have been underpaid benefits as a result of the NIRS2 computer breakdown. [89709]

Mr. Timms: The amount of compensation, under the normal Departmental Special Payment rules, which has been paid to people who have been underpaid benefits as a result of the NIRS2 computer problems is £12,891.13. These figures are up to the end of May 1999. Further compensation has been made to customers who suffered inconvenience as a result of NIRS2 delays. However, not all of these people have been underpaid benefit.

Market Research

Mr. Don Foster: To ask the Secretary of State for Social Security if he will list the title and purpose of each item of market and opinion research commissioned by or through his Department, its agencies and non-departmental public bodies since May 1997 stating in each case whether or not the results were published. [89689]

Mr. Timms: This information is not held centrally and could be provided only at disproportionate cost.

Earnings Statistics

Mr. Field: To ask the Secretary of State for Social Security of those households below half average income whose main source of income is welfare benefits, what proportion have income from earnings; and what is the *(a)* mean and *(b)* median amount of those earnings. [89529]

Angela Eagle: Eight per cent. of households with below half average income whose main source of income is benefits have income from earnings. This proportion is the same both Before Housing Costs (BHC) and After Housing Costs (AHC).

Both BHC and AHC, the mean of those earnings (for those households below half average income whose main source of income is benefits) is £55 per week and the median £52 per week (BHC) and £51 per week (AHC).

Notes:

1. All figures are estimates and are taken from the Households Below Average Income (HBAI) data set which is based on the Family Resources Survey (FRS). The FRS does not include Northern Ireland. 1996–97 is the latest year for which information is available.

2. For the purposes of this analysis, benefits are deemed to be the 'main source of income' where they form more than 50 per cent. of a household's total gross income.

3. The income measure used to determine whether or not a household is below half of the national average is weekly net (disposable) equivalised household income (that is to say income that is adjusted to reflect the composition of the household). It is standard HBAI practice to give results for income both before and after housing costs, in order to allow for the effect of variations in housing costs between households.

4. Monetary values are given in April 1998 prices and refer to gross weekly household earnings.

Mr. Field: To ask the Secretary of State for Social Security what percentage of households below half average income have any earnings; and what the *(a)* median and *(b)* mean amount of their earnings is. [89530]

Angela Eagle: Twenty six per cent. of households with below half average income have income from earnings. This proportion is the same both Before Housing Costs (BHC) and After Housing Costs (AHC). The median of those earnings is £125 per week BHC (for those below half average income) and £138 per week (AHC). The mean of those earnings is £145 per week (BHC) and £160 per week (AHC).

Notes:

1. All figures are estimates and are taken from the Households Below Average Income (HBAI) data set which is based on the Family Resources Survey (FRS). The FRS does not include Northern Ireland. 1996–97 is the latest year for which information is available.

2. The income measure used to determine whether or not a household is below half of the national average is weekly net (disposable) equivalised household income (that is to say income that is adjusted to reflect the composition of the household). It is standard HBAI practice to give results for income both before and after housing costs, in order to allow for the effect of variations in housing costs between households.

3. Monetary values are given in April 1998 prices and refer to gross weekly household earnings.

Single Gateway

Miss McIntosh: To ask the Secretary of State for Social Security if he will make a statement on the administrative cost of the Single Gateway to benefits. [88030]

Angela Eagle: An additional £79.5 million has been allocated from the Invest to Save Budget to fund the ONE service (formerly Single Gateway) in the 12 Pilot areas.

The extra allocation is on top of the amount that would be required to administer benefits in the pilot areas under current arrangements. It also covers one-off start-up costs (for example, estates and training costs), and Information Technology and capital expenditure over the period of the pilots.

Pensions

Mr. Willetts: To ask the Secretary of State for Social Security if he will estimate the potential liability for compensation incurred by his Department from advice from *(a)* Benefits Agency offices to widows on changes to their SERPS entitlement and *(b)* the new hotline to advise people on Stakeholder pensions and other pension schemes. [89707]

Mr. Timms: Existing widows are not affected by the change in inherited SERPS. We are aware of concern about the information given in response to inquiries about the change that is due to take place from April 2000. We are considering how best to resolve this matter and will make an announcement in due course.

The "Pensions Power for You" helpline is being organised by the TUC and this Department as a partnership initiative with the CBI, the Financial Services

Agency and other supporting organisations and companies to provide general pensions information. Call handlers will not provide individual financial advice.

Disabled People

Mr. Miller: To ask the Secretary of State for Social Security what his Department is doing to help disabled people obtain jobs. [88025]

Mr. Bayley: We have a comprehensive strategy for helping people with disabilities who want to work. We are providing active help and encouragement for people to move towards work; we are addressing barriers to work in the benefit system; we are taking steps to make work pay; and we are promoting radical change in the workplace to ensure equality and opportunity.

PRIME MINISTER

Serbia (Reconstruction)

Mr. Swayne: To ask the Prime Minister what measures he will take to prevent Governments providing Serbia with funds to repair bridges whilst President Milosevic remains in power. [88084]

The Prime Minister: We have no plans to provide reconstruction assistance as long as Milosevic remains in power; we do of course support the UNHCR programmes and others which offer humanitarian aid to the Serbian people. We believe that this approach is widely shared by our partners and allies. We are discouraging other countries from providing reconstruction assistance, but there are no legal means to stop them.

Danube (Destroyed Bridges)

Mr. Swayne: To ask the Prime Minister what assessment he has made of the impact of the destruction of bridges on the Danube in Serbia upon the economies of (i) Germany, (ii) Turkey, (iii) Austria, (iv) Romania and (v) Bulgaria. [88083]

The Prime Minister: All countries to which the hon. Member refers participated in, or gave wholehearted support to, the NATO action in the Balkans.

We are in close touch with all the countries of the region and with the international financial institutions, who are carrying out assessments of the reconstruction needs. We have already contributed to packages of support for those most directly affected, and will continue to do so.

EU Anti-fraud Office

Mr. Bercow: To ask the Prime Minister what amendments he supported to proposals for the formation of the EU Anti-Fraud Office; and if he will make a statement. [88466]

The Prime Minister: The United Kingdom supported amendments which would serve to deliver a strong, effective, independent anti-fraud office with wide ranging powers and rights matched by responsibility and accountability including reporting to the European Parliament and the Council, in line with my right hon. Friend the Chancellor of the Exchequer's initiative at the January ECOFIN Council. Details of the original and amended proposals and the final Regulation which was supported by the Government are set out in explanatory memoranda dated 15 January 1999, 5 May 1999 and 10 June 1999.

Kosovo

Mr. Dalyell: To ask the Prime Minister, pursuant to his oral statement of 21 June 1999, *Official Report*, column 766, what the status is of the undertaking given by the KLA on demilitarisation; and what are the consequences of such demilitarisation for an unaccompanied tour obligation for British armed forces and their families. [88872]

The Prime Minister *[holding answer 29 June 1999]*: The undertaking of 21 June 1999 commits the KLA to a cease-fire and to a process of disengagement from the zones of conflict, subsequent demilitarisation and reintegration into civil society. The Commander of KFOR, Lieutenant General Sir Mike Jackson, is the final authority regarding interpretation.

We will reduce our contribution to KFOR as soon as circumstances permit.

Cabinet Joint Consultative Committee

Mr. Gordon Prentice: To ask the Prime Minister who chairs meetings of the JCCC in his absence. [89282]

The Prime Minister: Such an occasion has not arisen.

Mr. Gordon Prentice: To ask the Prime Minister (1) if he will list those hon. Members from the Liberal Democratic Party who have attended meetings of the JCCC; [89305]

(2) how many meetings of the JCCC there have been since its inception. [89303]

The Prime Minister: Like all Cabinet Committees, details of the proceedings of the Joint Consultative Committee are exempt from disclosure under the internal discussion and advice exemption of the Code of Practice on Access to Government Information.

Mr. Gordon Prentice: To ask the Prime Minister if it is his policy that the JCCC should continue indefinitely. [89304]

The Prime Minister: The Joint Consultative Committee exists to consider policy issues of joint interest to the Government and the Liberal Democratic Party. I would expect it to remain in existence while it continues to fulfil this remit satisfactorily.

Mr. Gordon Prentice: To ask the Prime Minister what considerations led him to conclude that the subjects for discussion within the Joint Cabinet Consultative Committee should be exempt from the Code of Practice on Access to Government Information. [89837]

The Prime Minister: Paragraph 2 of Part II of the Code of Practice on Access to Government Information states that information is exempt from the commitments under the Code if its disclosure would harm the frankness and candour of internal discussion.

Mr. Gordon Prentice: To ask the Prime Minister if the 30 year rule applies to the Joint Cabinet Consultative Committee; and if he will make a statement. [89838]

The Prime Minister: Yes.

Mr. Gordon Prentice: To ask the Prime Minister if he will lift the exemption from disclosure under the Code of Practice on Access to Government Information of proceedings in the Joint Consultative Committee. [89815]

The Prime Minister: No.

Inward Investment

Mr. Yeo: To ask the Prime Minister how many meetings *(a)* he has and *(b)* his staff have had with representatives of the American Government at which opportunities for inward investment by American companies in the British retail sector were discussed. [89338]

The Prime Minister *[holding answer 1 July 1999]:* I, Ministers, advisers and other civil servants meet many people in the course of our work. This properly includes meetings with representatives from foreign governments. By convention it is not the practice of governments to make information on such meetings or their content publicly available.

It is the job of the British Prime Minister to promote this country as a place to invest, boosting British jobs and prosperity. I have done this on many occasions and will continue to do so.

EU Rights Charter

Mr. Bercow: To ask the Prime Minister if the EU Charter of Rights will include rights not presently accorded to citizens under EU law. [89813]

The Prime Minister: It is too early to say what the final Charter will contain; the draft will be submitted to the European Council during the French Presidency in the second half of 2000. Most member states (including the UK) favour a document which sets out in a more accessible form the many rights which citizens already enjoy at European level.

European Commissioners

Mr. Bercow: To ask the Prime Minister on how many occasions the acting European Commissioners have represented the Commission *(a)* at Council of Ministers meetings, *(b)* at other internal Committee meetings, *(c)* at public events and *(d)* at international meetings, following the no-confidence motion at the European Parliament. [89828]

The Prime Minister: The Commission resigned following the publication of the Committee of Independent Experts' Report into its activities. It was not dismissed and no motion of no-confidence was passed by the European Parliament. In accordance with the Treaty, Commissioners have since carried out their responsibilities in a caretaker capacity pending the appointment of a new College. We expect this to take place in September.

Ministerial Visits

Mr. Burns: To ask the Prime Minister what guidance he gives Ministers about letting hon. Members know in advance when they visit an hon. Member's constituency in a ministerial capacity. [89396]

The Prime Minister *[holding answer 2 July 1999]:* I refer the hon. Member to the answer I gave to the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) on 27 November 1997, *Official Report*, column *604*.

Yugoslavia (Civilian Deaths)

Mr. Bercow: To ask the Prime Minister what is his present estimate of *(a)* military and *(b)* civilian deaths resulting from NATO air activity over Yugoslavia. [89736]

The Prime Minister: Our most recent assessment is that up to 5,000 members of the Serbian forces may have been injured or killed during the recent military action. We have no estimate of the number of civilian casualties and I refer the hon. Member to the answer I gave to my hon. Friend the Member for Blaenau Gwent (Mr. Smith) on 20 May 1999, *Official Report*, column *403*.

Turkey (Arms Exports)

Mr. Bercow: To ask the Prime Minister if he will make a statement on Government policy towards the export of arms to Turkey. [89836]

The Prime Minister: The criteria to be used in considering licence application for the export of conventional arms was announced by my right hon. Friend the Foreign Secretary to the House on 28 July 1997, *Official Report*, columns *26–30*. The criteria and the EU Code of Conduct on Arms Sales, agreed during the UK Presidency of the EU in 1998, provide clear guidance. The Government's policy is clear: they will not issue an export licence if there is a clearly identifiable risk that the proposed export might be used for internal repression or international aggression. All applications for exports to Turkey are considered on a case-by-case basis according to the criteria.

Parliamentary Questions

Mr. Baker: To ask the Prime Minister when he intends to answer parliamentary question 81450, a holding answer for which was given on 20 April. [89742]

The Prime Minister: I did so on 21 April.

Telecommunications Masts (Chilterns)

Mr. Lidington: To ask the Prime Minister what representations have been made on his behalf to Wycombe District Council about planning applications to erect telecommunication masts in the Chilterns area of outstanding natural beauty. [89868]

The Prime Minister: None.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Genetically Modified Crops

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions if in relation to the Monsanto field trials of genetically modified sugar beet approved to take place in Ruddington, Nottingham, he will set out details of *(a)* the pre-planting environmental audit of the area surrounding the field test site, *(b)* the sub-soil analysis of the field test site prior to planting, *(c)* the terms and timing set for impact assessments and *(d)* who will be responsible for the monitoring; *(e)* what steps he will take to ensure that the monitoring is independent of corporate genetically modified crops interests. [81075]

Mr. Meacher: *(a)* The pre-planning environmental audit of the area surrounding the field test site included details of the release site ecosystem including climate and fauna, details of any sexually compatible wild relatives or cultivated plant species present and the proximity of officially recognised biotopes or protected areas.

(b) Adverse effects on soil micro-organisms arising from the expression of the transgenes introduced into the genetically modified sugar beet were not identified as a potential hazard in the risk assessment. This is because the gene products are not associated with any known toxicology effects on micro-organisms and are of microbial origin. As the Advisory Committee on Releases to the Environment (ACRE) accepted this assessment, the release consent did not require a sub-soil analysis of the field test site to be undertaken prior to planting.

(c) The terms and timing set for impact assessment are set out in the terms and conditions of the consent. All consent holders must notify the Secretary of State of the effects of the release for assessment of any risks to the environment. In this particular consent, the consent holder is also required to submit a report to the Secretary of State on the outcome of the release one month after the termination of the trial. For two years following the trial the consent holder must ensure effective control of volunteer GM sugar beet.

(d) The consent holder is responsible for monitoring the outcome of the release. The programme of inspections by the Health and Safety Executive ensures that the terms and conditions of the consent, including any monitoring requirements, are adhered to.

(e) Independent monitoring of the results will be undertaken by ACRE.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what assessment his Department has made of the implications for British beekeepers wishing to produce honey free of genetically modified material of the commercial growing of genetically modified oilseed rape. [81395]

Mr. Meacher *[holding answer 20 April 1999]:* In evaluating a risk assessment for the release of a genetically modified (GM) plant, the Advisory Committee on Releases to the Environment will always take into account the consequences of bees visiting the flowers of the GM plant. The Advisory Committee for Novel Foods and Processes have considered the food safety issues relating to the presence in honey of pollen from GM plants.

If in the future we move to the widespread cultivation of GM crops in the UK, it may not be possible in those areas with intensive arable farming to guarantee that honey will be entirely free of genetically modified material. I am aware that the European Commission is currently considering guidelines for those wishing to make claims that foods are free from GM materials.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the farm-scale sites for genetically modified sugar or fodder beet, indicating the (i) location, (ii) area grown and (iii) consent holder and number. [85943]

Mr. Meacher *[holding answer 8 June 1999]:* SCIMAC (Supply Chain Initiative on Modified Agricultural Crops) are carrying out a farmscale evaluation of genetically modified (GM) sugar beet with ecological monitoring at Manor Farm, East Bradenham, Norfolk. The total area of the trial is two hectares. The consent holder is Monsanto Life Sciences and the consent number is 98/R22/12. Further information on the trial and the environmental risk assessment are available on the statutory public register held by my Department.

The Government are not directly involved with this trial. GM sugar and fodder beet are not included in the joint Government/SCIMAC farm-scale evaluations which I announced to the House of Lords Select Committee on 21 October 1998.

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions where the seed used for and to be used for this year's farm-scale trials of genetically modified oilseed and maize were grown; and where the seeds to be used for next year's trials will be grown. [85948]

Mr. Meacher: The seed being used this year in the farm-scale evaluations of genetically modified maize and spring oil seed rape has been imported from outside of the European Community by AgrEvo UK Ltd.

The particular varieties of seeds to be used in the evaluations of winter oil seed rape, starting later this year, and for the evaluations planned for next year, have not yet been decided. Consequently the source of the seed is not yet known.

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions what consultations were undertaken with neighbouring farmers about the location of genetically modified crop farm-scale trials. [85950]

Mr. Meacher: All crops in the farm-scale evaluations are being grown in accordance with the SCIMAC (Supply Chain Initiative on Modified Agricultural Crops) guidelines. The code sets out requirements for separation distances between genetically modified (GM) crops and conventional and organic crops. Neighbouring farmers must be contacted if these separation distances cannot be maintained within the boundaries of the farm.

The farm-scale evaluations of genetically modified spring oil seed rape were planted under a consent issued under Part B of Directive 90/220/EEC. This required

consent holders to place an advertisement in a local paper, giving information about the release including the exact location of the field, prior to planting. The farm-scale evaluations of genetically modified maize were planted under a consent issued under Part C of Directive 90/220/EEC. This does not require consent holders to make any public notification prior to planting.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the crops grown in genetically modified crop trials which have so far entered the food chain by *(a)* type, *(b)* volume and *(c)* date. [75111]

Mr. Meacher *[holding answer 8 March 1999]:* Material from genetically modified (GM) crop trials cannot enter the food or feed chain without specific approval. No material has been used as food. Of the 154 consents for GM crop trials issued one, in respect of a GM maize, has approval to be used as animal feed. Consent was issued in April 1996. It is not known whether the crop was used in this way but, if it was, the yield from the site would be less than one tonne. Two further consents. in respect of GM oil seed rape given consent in August 1994 and March 1997, have approval for the meal from the trial crop to be used as feed. Again, it is not known whether the crop was used in this way but, if it was, the maximum yield would be in the region of 4 tonnes.

Air Bags

Mr. Sheerman: To ask the Secretary of State for the Environment, Transport and the Regions what estimate his Department has made of the number of people *(a)* killed, *(b)* injured and *(c)* whose lives have been saved, by air bags in vehicles in the most recent year for which figures are available. [86300]

Ms Glenda Jackson: Statistics collected for Great Britain do not yield this information. However, international research indicates that air bags provide an overall safety benefit for drivers.

BMW Advertisement

Mr. Peter Bottomley: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has made to BMW about its national newspaper advertisements on 10 June which refer to the enjoyment of cornering on country lanes at high speed; if he will publish its response; and if he will discourage such advertisements. [87633]

Ms Glenda Jackson: The Department registers complaints to the Advertising Standards Authority against press advertisements which contravene the British Codes of Advertising and Sales Promotion in relation to road safety. The advertisement for BMW to which the hon. Member refers is one in a series placed over three pages. The three advertisements include many road safety messages taken from "The Advanced Driver's Manual" published by the motoring organisation the Institute of Advanced Motorists. The Department does not consider this advertisement contravenes the advertising guidelines and supports advertising campaigns which encourage drivers to take responsibility for their driving and to learn advanced driving skills.

Public Service Agreements (Environmental Objectives)

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions which non-departmental public bodies do not have aims or objectives under the public service agreements, related to environmental protection or environmentally sustainable development; and if he will list them. [88909]

Mr. Meale: The Green Ministers Committee has reviewed how departments and their associated bodies (including non-departmental public bodies) take account of sustainable development in their aims and objectives. The first annual report of the Green Ministers Committee is due to be published in July 1999 and will set out the findings of this review. As part of this review non-departmental public bodies sponsored by my Department have been advised of the Government's policy on sustainable development, including the environmental protection aspects of the policy. They have been encouraged to include their plans for sustainable development in their corporate plans and work is in hand to discuss with them their scope for contributing further to the policy. Many of the Department's non-departmental public bodies do contain environmental matters as part of their aims and objectives and we are considering whether all our non-departmental public bodies should have an environmental policy on which they should report.

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions which Government Departments do not have aims or objectives, under the public service agreements, relating to environmental protection or environmentally sustainable development. [88908]

Mr. Meale: Each Department's Public Service Agreement was set out in the document "Public Services for the Future: Modernisation, Reform, Accountability" which was presented to Parliament by the Chief Secretary to the Treasury in December 1998. The Green Ministers Committee has since then reviewed the aims and objectives of Departments in terms of how sustainable development and the environment are addressed. We will set out our findings and the background in the first annual report of the Green Ministers Committee which is due to be published in July 1999.

London Transport (Consultants)

Mr. Cohen: To ask the Secretary of State for the Environment, Transport and the Regions (1) what has been the amount spent on consultants in relation to London Transport matters in each of the last eight years; and how much is currently *(a)* committed and *(b)* estimated to be spent; [89012]

(2) if he will make a statement on the principal reasons for the use of consultants in relation to London Transport matters *(a)* in each of the last three years and *(b)* currently. [89013]

Ms Glenda Jackson: The information is not available in the form requested. The Government use external consultants when they require expert independent advice. Over the last eight years consultants have been employed to advise on, among other issues, the Jubilee Line Extension, Crossrail and the privatisation of London Transport's bus operating companies. Consultants that are currently employed by the Department to advise on London Transport are Ove Arup, acting as the Secretary of State's Agent on the Jubilee Line Extension project, and Gibb Ltd. to advise on integrating the national rail network with the Underground. In 1998–99 the Department spent £693,000 on consultancy work relating to London Transport and in 1999–2000 the amount spent by 1 July was £294,000.

Leyton Yard

Mr. Cohen: To ask the Secretary of State for the Environment, Transport and the Regions what *(a)* negotiations and *(b)* consultations took place prior to his Department selling the site of Leyton Yard to Asda; which other potential purchasers expressed an interest and how the sale decision was determined; what amount was agreed; how much of the proceeds will be paid to Government and how much to other parties; what conditions were attached to the sale agreement; and if he will make a statement. [89017]

Ms Glenda Jackson: Under the Channel Tunnel Rail Link (CTRL) Development Agreement, London & Continental Railways (LCR) is permitted to dispose of land, transferred to them under that Agreement, which the Secretary of State determines to be surplus to the needs of the CTRL Project. Leyton Yard is such a site. The sale of the Leyton Yard site, as with other sites which may be declared surplus, is subject to a clawback which returns half the proceeds to the taxpayer, allowing for the costs of site development and sale. London & Continental Railways' share of the sale proceeds has to be used to fund the CTRL project. The disposal price of Leyton Yard was arrived at through an open bidding process. I understand from LCR that, in addition to Asda, negotiations were held with other major supermarket chains. The final size of the clawback payment cannot yet be calculated as the development is still at an early stage. The non-cash terms of the agreement are a matter for LCR, but the agreement also delivers significant planning gains to the London Borough of Waltham Forest, and helps to facilitate and finance important local highway improvements.

London Underground

Mr. Cohen: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the figures for each of the financial years 1995–96, 1996–97 and 1997–98 in respect of the operations of London Underground Ltd. for *(a)* total sales revenue from (i) fares, (ii) elderly and disabled concessions and (iii) other sources, *(b)* staff costs, including pensions, *(c)* energy, including power distribution, *(d)* train movement and maintenance, *(e)* track and signalling maintenance, *(f)* stations and escalators and *(g)* other revenue costs including administration, excluding costs arising from the extensions to, and adaptation of, the Jubilee Line. [89015]

Ms Glenda Jackson: The following table shows London Underground Revenue and Operating Costs from 1995–96 through to 1997–98:

London Underground revenue and operating costs 1995–98

£ million

	1995–96	*1996–97*	*1997–98*
Revenue			
Ordinary Fares	746	779	878
Elderly and disabled concessionary	18	17	20
Other fare income	1	1	1
Non-fare income	51	57	62
Total	816	854	961
Operating Costs			
Employee costs	356	376	363
Energy	28	29	27
Maintenance	58	57	58
Other costs	182	182	248
Total	624	644	696
Gross Margin	192	210	265

Mr. Cohen: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received concerning the decision of London Underground Ltd. to dispense with its own means of electricity generation in London; and if he will make a statement. [89010]

Ms Glenda Jackson: I imagine my hon. Friend is referring to the Power PFI deal with London Underground signed last August with the private sector Powerlink consortium. The deal involves the modernisation of the Underground's power generation and distribution network and all assets will return to the public sector at the end of this 30 year PFI contract.

I met my hon. Friend the Member for Ealing, North (Mr. Pound) and union representatives on 22 December 1997 to discuss a number of issues arising out of London Transport's PFI deals, including Power. Ministers have also received a total of 10 letters concerning the project from hon. Members and trade unions representatives.

Mr. Fearn: To ask the Secretary of State for the Environment, Transport and the Regions what discussions his Department has had concerning plans to avoid disruptions to travellers during the scheduled closure of the London Underground Northern Line City Branch this summer. [89136]

Ms Glenda Jackson: I meet with the managing directors of London Underground (LU) and London Transport Buses (LTB) on a regular, monthly basis to discuss issues such as any line closures and measures to minimise the resulting passenger disruption. Officials from the Government Office for London have also been involved in regular meetings with LU, LTB, the London Boroughs and the Police to discuss replacement services during the Northern Line City Branch closure.

In addition, my right hon. Friend the Minister for Transport and I met the managing director of LU on 23 June to discuss both the Circle and Northern Line City Branch closures. He assured us that LU are making every effort to keep passenger disruption as low as possible. During the Northern Line City Branch closure, extra buses

will be provided along the route and LU will also increase the number of trains along the Charing Cross Branch. Alternative routes are being advertised and extra station staff will help to keep passengers informed.

Mr. Fearn: To ask the Secretary of State for the Environment, Transport and the Regions what discussions his Department has had concerning efforts to end disruptions for travellers on the Circle and District London Underground lines arising from current closure of parts of the line. [89137]

Ms Glenda Jackson: My right hon. Friend the Minister for Transport and I met the managing director of London Underground (LU) on 23 June to discuss both the Circle and Northern Line City Branch closures. He assured us that the timetable LU are now operating around the Circle Line is robust and that it is providing passengers with a better service than they received in the first week after Circle Line engineering works began on 12 June. He also promised to provide us with a full report on what went wrong and to inform us immediately if the service around the Circle Line should deteriorate again.

In addition, I meet with the managing directors of LU and London Transport Buses on a regular, monthly basis to discuss issues such as any line closures. My officials have also discussed with LT the measures they are taking to minimise disruption around the Circle Line.

Mr. Fearn: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the progress made with the construction of the Jubilee Line Extension; and when the section between Green Park and North Greenwich is due to be fully operational. [89134]

Ms Glenda Jackson: Phase 1 of the Jubilee Line Extension opened on 14 May. London Transport plan to open phase 2 (on to Waterloo) in late summer, and phase 3 (linking with the existing line and providing an end-to-end Stratford to Stanmore service) by late autumn.

Somerset Levels

Mr. Dafis: To ask the Secretary of State for the Environment, Transport and the Regions what assistance he is providing to the Environment Agency to further the promotion of eco-tourism on the Somerset Levels. [89019]

Mr. Meale: The Department of the Environment, Transport and the Regions provides the Agency with grant in aid each year to enable it to carry out its statutory duties. One of its duties is to promote the conservation and enhancement of water and associated land for recreational purposes. In addition the Agency is a lead organisation for flood defence and water level management, both of which contribute to the distinctive landscape of the area.

The Agency is just one of many organisations that has a role in maintaining, managing and developing the internationally important Somerset Levels wetland area. An organisation known as the Levels and Moors Partnership (LAMP) was set up some years ago to bring all the partnership organisations together to address such issues as the socio-economic development of the Levels. This work has included the development of a sustainable tourism strategy which recognises the economic needs of the local people and the needs of visitors, while providing effective protection to the environment.

Climate Change Levy

Mr. Pearson: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of *(a)* the cost of the climate change levy to his Department and *(b)* the savings from the reduction in National Insurance Contributions that will occur when it is introduced. [88857]

Mr. Meale: The net impact of the climate change levy and the associated reduction in the main rate of employers' National Insurance Contributions on the Department of the Environment, Transport and the Regions will depend on the rates of the climate change levy. The final rates of climate change levy will not be set until Finance Bill 2000.

In addition, the Government are still considering a number of detailed issues on the tax treatment of different energy products which could have a significant impact in some instances. It is, therefore, not possible to give definitive figures about the impact of the climate change levy on the Department for the Environment, Transport and the Regions.

Renovated Empty Properties

Mr. Gordon Prentice: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the percentage of properties undergoing major repairs and renovation that have been empty for over 12 months. [88839]

Mr. Raynsford: Out of an estimated 11,200 vacant local authority-owned dwellings in England awaiting or undergoing major repairs on 1 April 1998, almost one third (31 per cent.) had been empty for more than a year. Equivalent information for Registered Social Landlord vacant stock indicates that of approximately 9,000 such dwellings, just over a quarter (27 per cent.) had been vacant for over one year.

Comparable information about other residential stock in the public and private sectors is not available centrally.

Tunstall Floral Hall

Ms Wailey: To ask the Secretary of State for the Environment, Transport and the Regions if he will visit Tunstall Floral Hall, Stoke-on-Trent. [88810]

Mr. Prescott: I have at present no plans to do so.

London Taxis (Millennium)

Mr. Efford: To ask the Secretary of State for the Environment, Transport and the Regions if he will alter the rate of the charge tariff for licensed London taxis for the period of the millennium public holiday. [89068]

Ms Glenda Jackson: I shall make a decision later in the year on whether any supplement, above that which would normally apply at the New Year, is justified for the millennium public holiday, and if so, what it should be.

Food Standards Agency

Mr. Fearn: To ask the Secretary of State for the Environment, Transport and the Regions if the proposed Food Standards Agency will have powers to publish the details of all regular health and safety inspections of restaurants under the proposals for freedom of information. [89132]

Mr. Meale: The proposed Food Standards Agency remit is to look after food hygiene. Health and safety inspection of restaurants and similar premises is carried out by local authorities under the general direction and guidance of the Health and Safety Commission. Each local authority will be directly responsible under the Bill for the disclosure of the information it holds.

"Sustainable Energy from Waste"

Mr. Stunell: To ask the Secretary of State for the Environment, Transport and the Regions what consultation took place with his Department on the contents of "Sustainable Energy from Waste", published by the Department for Trade and Industry; what representations he made; and if he will make a statement. [89116]

Mr. Meale: The pamphlet is itself publicity for the Government's complementary strategies on waste, "A Way With Waste: a draft waste strategy for England and Wales", and renewable energy "New and Renewable Energy: prospects for the 21st century".

Mr. Stunell: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to publicise the Government's pamphlet, "Sustainable Energy from Waste"; and if he will make a statement. [89117]

Mr. Meale: Officials in both Departments work together closely on the full range of waste and renewable energy issues. This document was prepared by consultants in line with agreed policy.

Rural Housing

Jackie Ballard: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to issue guidelines to the Environment Agency on its responsibilities in relation to housing in rural areas. [89156]

Mr. Meale: The Environment Agency has no direct responsibilities for housing in rural areas. The Department has no plans to issue rural housing policy guidance to the Agency.

Our White Paper for Rural England will, however, explore how a wide range of policies will support sustainable rural communities in the future.

Environment Agency (Estate)

Jackie Ballard: To ask the Secretary of State for the Environment, Transport and the Regions how many houses the Environment Agency owned in each parliamentary constituency in the South West in each of the last five years. [89154]

Mr. Meale: Since 1994 the Environment Agency has owned houses in the following constituencies in the South West region:

Cotswold: 2 houses

New Forest: 1 house

North Dorset: 1 house

Salisbury: 2 houses (one sold in 1996)

West Dorset: 2 houses

Somerton and Frome: 2 houses (one also sold in 1994)

Taunton: 3 houses (one being sold by auction in July 1999)

Tewkesbury: 2 houses

Torridge and West Devon: 2 houses (one sold in 1996 and the other sold by auction on 30 June 1999)

Truro: 1 house bought in 1998 and demolished for a flood defence scheme.

Jackie Ballard: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has for the disposal of Environment Agency properties; and what matters he will take into consideration in respect of such disposals in rural and environmentally sensitive areas. [89155]

Mr. Meale: Disposal of property is an operational matter for the Agency to determine in accordance with the Financial Memorandum issued to it by the Department.

Statutory Instruments

Dr. Fox: To ask the Secretary of State for the Environment, Transport and the Regions what percentage of statutory instruments introduced by his Department into Parliament in *(a)* 1998, *(b)* 1992, *(c)* 1985 and *(d)* 1973 had the European Union as their legislative source. [89163]

Mr. Meale: The total number of Statutory Instruments (SIs) registered as General Instruments in 1998, 1992, 1985 and 1973 is listed in the table. Of the SIs so registered in 1998, 306 were made by my Department, of which 9.9 per cent. were made (either wholly or as to part) to comply with Community obligations. As a result of machinery of government changes, it is impracticable, without incurring disproportionate cost, to determine how many of the SIs made in 1992, 1985 and 1973 by the predecessor departments of my Department were introduced to comply with Community obligations.

Year	*Number of SIs*
1998	1,565
1992	1,692
1985	1,204
1973	1,260

Source:
Statutory Publications Unit of HMSO: an SI is classified as a General Instrument if it is in the nature of a Public General Act. SIs may otherwise be registered as Local Instruments if they are in the nature of local or private Acts. SIs implementing EC/EU legislation will always be classified as General Instruments.

Birth Certificates

Sir Robert Smith: To ask the Secretary of State for the Environment, Transport and the Regions if he will list those purposes for which his Department and its executive agencies require a birth certificate to be furnished by *(a)* employees, contractors or those applying for employment or contracts, and *(b)* other persons. [89152]

Mr. Meale: The sight of a birth certificate is requested in the following circumstances within DETR(C) and its executive agencies:

to enable checks on identity and nationality to be carried out on people applying for jobs in the Department;

to establish the identity of relatives of departmental staff in circumstances relating to the payment of pensions.

Where contractors or consultants are directly employed by the Department, it may be necessary in certain circumstances to see certificates for security clearance purposes and where contractors supply individuals to the Department, for example building security guards or temporary staff, the contracts may include the need for basic checks to be carried out which could involve the contractor seeing a birth certificate.

The Driver and Vehicle Licensing Agency requires applicants for photocard driving licences to provide evidence of identity. One of the documents that is acceptable is an original birth certificate.

Arts Grants (London)

Mr. Coleman: To ask the Secretary of State for the Environment, Transport and the Regions what level of local authority grant aid has been paid by the London boroughs of *(a)* Wandsworth, *(b)* Hammersmith and Fulham and *(c)* Bromley to arts and theatre organisations in each of these boroughs for (i) 1997 and (ii) 1998; and if he will make a statement. [89466]

Mr. Meale: This information is not centrally available.

Sellafield

Mr. Frank Cook: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his departmental news release number 544, of 11 June, what is the reason for the delay in the posting of the Sellafield MOX plant consultation documents on his Department's web site; and if he will extend the consultation period to compensate for the shortened notice given. [89314]

Mr. Meacher *[holding answer 1 July 1999]:* On 11 June 1999, *Official Report*, columns *399–400*, my right hon. Friends the Deputy Prime Minister and the Minister for Agriculture, Fisheries and Food announced the go-ahead for uranium commissioning and a further round of consultation into the economic case for the Mixed Oxide (MOX) fuel fabrication plant at Sellafield. On the day of the announcement, copies of the consultation documents were sent to:

organisations previously consulted by the Environment Agency as part of their consideration of the MOX plant;

organisations and individuals who made representations in response to either of the two consultations held by the Environment Agency; and

organisations and individuals who made representations to my Department.

The publishing of consultation papers is an important part of my Department's communication strategy. Although it is our policy to publish consultation papers on the web site, this is not the primary method of consultation. It is there to complement our more established means of publication and notification. Therefore, I do not see any case for extending the consultation period. The documents were available on the web site on 25 June, as soon as the necessary preparations could be completed.

Diesel Duty

Mr. Gunnell: To ask the Secretary of State for the Environment, Transport and the Regions (1) what estimate the Government made, prior to its announcement, of the effect of the increase in diesel fuel duty announced in the Budget statement on employment in the road haulage industry; and what estimate he has made of levels of employment in the industry over the next six months; [89650]

(2) what is his estimate of the number of jobs lost in the British road haulage industry since the recent increase in the diesel fuel duty. [89649]

Mrs. Liddell: The Government closely monitor the level of employment in the road haulage industry through the Labour Force Survey and the Annual Employers Survey. The statistics for the spring quarter of 1999 will not be ready for release until 14 July. However, the figures for goods vehicles drivers do not show a significant change between end-1997 and end-1998.

Aircraft (Low Fuel)

Dr. Tonge: To ask the Secretary of State for the Environment, Transport and the Regions what discussions he has had with the Civil Aviation Authority concerning low fuel state occurrences involving foreign airlines; and if he will make a statement. [89519]

Ms Glenda Jackson: DETR and Civil Aviation Authority officials discussed the allegations concerning an aircraft of Malaysia Airlines (MAS) in detail with representatives of the airline. MAS has co-operated fully in reviewing their fuel policy and examining why, on a very few occasions, low fuel levels may have been recorded at the completion of a flight. MAS offered to provide weekly reports of fuel levels for all its aircraft on arrival in the UK and this has been incorporated into their conditions for operating into this country.

Under the Chicago Convention, responsibility for regulating an airline, including compliance with minimum fuel regulations, lies with the country in which the airline is based.

Archaeological Services

Mr. Peter Ainsworth: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received from *(a)* The British Archaeological Trust and *(b)* the Association of Local Government Archaeology Officers regarding the effect of the local government settlement for 1999–2000 on archaeological services. [89402]

Mr. Meale *[holding answer 2 July 1999]:* We have received no direct representations from these organisations on the settlement approved by this House on 4 February 1999, *Official Report,* columns 1138–86. I am, however, aware of their concerns, through the Early Day Motion number 377 laid in the House on 2 March and correspondence from the hon. Member.

OSPAR Convention

Mr. Llew Smith: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the matters discussed and the outcome of the

OSPAR Convention meeting in Hull on 21 to 25 June; and if he will place in the Library a copy of the submissions made by *(a)* the United Kingdom and *(b)* other OSPAR contracting parties and recognised observer organisations relevant to the United Kingdom. [89732]

Mr. Meale: The annual meeting of the OSPAR Commission, held in Hull at the invitation of the UK Government from 21 to 24 June, was opened by my right hon. Friend the Deputy Prime Minister. The main outcomes were the adoption of a strategy on environmental goals and management mechanisms for offshore activities (which, with the four strategies adopted at the Ministerial meeting in Portugal last year, means that all the main activities of the OSPAR Commission are now covered by long-term strategies), of a recommendation on the best available techniques for the manufacture of emulsion-PVC, and (with a reservation from Norway) of guidelines on artificial reefs in relation to marine living resources.

Other matters discussed mainly concerned the implementation of the long-term strategies adopted last year. On the strategy for radioactive substances, the Contracting Parties agreed to intensify their efforts to implement it by focusing on the principal sources of discharges, emissions and losses, including the reprocessing of nuclear fuel and some other nuclear and non-nuclear activities; where action by the operators of nuclear installations is required, the Contracting Parties agreed to ensure that this is taken without delay. Another major theme was the improvement of the structure of the OSPAR Commission and of its working practices, in order to help the implementation of the strategies.

The UK delegation presented no formal papers to the meeting. The papers which the OSPAR Commission has agreed to make public can be found on its web-site: www.ospar.org.

Raptors

Mr. Sutcliffe: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received regarding the harmful effect on the racing pigeon population of raptors. [89658]

Mr. Meale *[holding answer 2 July 1999]:* My Department has received a number of representations concerning the effect of raptors on racing pigeons. This issue is being considered by the Raptor Working Group co-chaired by my Department and the Joint Nature Conservation Committee. The working group is due to make its final report before the end of the year. To assist the working group in drawing its conclusions my Department let a research contract to assess the impact of raptor predation on pigeons and to investigate the effectiveness of non-lethal deterrents. It is hoped that the findings of this research will help to provide some guide to pigeon fanciers as to how they may best reduce any losses they may be incurring.

Mr. Sutcliffe: To ask the Secretary of State for the Environment, Transport and the Regions if he will use his powers under the Wildlife and Countryside Act 1981 to control raptors. [89417]

Mr. Meale *[holding answer 2 July 1999]:* Raptors are protected by Section 1 of the Wildlife and Countryside Act 1981. This reflects obligations under the EC Wild Birds Directive 79/409/EEC to protect all naturally occurring species of birds. The control raptors can only be licensed for the reasons set out in Section 16 of the 1981 Act, provided that there is no other satisfactory solution.

Parliamentary Questions

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions when he intends to answer parliamentary question 81262, a holding answer for which was given on 19 April. [89741]

Mr. Meacher: A full answer was given to the hon. Member on 27 April 1999, *Official Report*, columns *88–89*.

Greater London Authority Elections

Mr. Colman: To ask the Secretary of State for the Environment, Transport and the Regions what progress he has made with the possibility of using electronic equipment in the Greater London Authority elections. [90057]

Mr. Raynsford: The Government have been considering the potential for introducing more innovative and up to date electoral procedures. Electronic voting is one of the areas the Howarth Working Party recommended for further consideration and piloting. The Working Party expects to submit a summary of its recommendations to Government later this month and its detailed report at the end of the summer. The London Mayor and Assembly elections on 4 May 2000 provide an excellent opportunity to introduce a more up to date system of voting or counting, more in keeping with our modern way of life.

Following the invitation for expressions of interest from potential suppliers, issued in March, we received a number of suggestions as to how we might make best use of some form of electronic voting equipment for the London elections next year. We have shortlisted four potential suppliers, all of which have experience in elections worldwide where electronic equipment has been used successfully and offer either touch-screen voting at polling stations or optical scanning equipment to speed the counting process. The four suppliers are Data and Research Services Plc; Election Systems and Software Inc with Unisys Ltd.; Nedap; and Smurfit Ltd.

The next stage is to carefully consider the detailed proposals for London's elections which the four shortlisted suppliers have been invited to submit. Our top priority is to run a successful election on 4 May 2000—less than a year away. We need to be sure that the use of electronic equipment will be cost effective, help rather than confuse voters, and lead to a more efficient delivery of results. The Greater London Authority will be a new modern form of governance and we need to consider voting systems to match as we move into the 21st century.

EU Directives (Water Standards)

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the costs to the water industry of complying with EU directives on environmental and water quality standards for the period 2000 to 2005. [89445]

Mr. Meale: The Government announced on 1 March decisions on environmental and water quality improvement programmes which should be included in

water company business plans for 2000–05. These programmes were largely comprised of investment required to meet the requirements of EC Directives, although they also included, in a fully integrated manner, significant programmes to improve compliance with domestic quality objectives.

We consider that these proposals can be delivered for around £8 billion. Companies' draft strategic business plans are now being considered by the Director General of Water Services, who will reach a provisional view later this month on the costs of these obligations for the purposes of the Periodic Review of water company price limits between 2000 and 2005.

Water Charges

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions what progress the Government have made in producing guidelines for water companies on alternative payment arrangements to water metering. [89205]

Mr. Meale: We are considering with water companies and other groups with an interest in water charging how any alternative to the present system of unmeasured charging, such as the use of Council Tax bands, could be designed to provide for fair charges and to avoid significant losses for some groups.

There is no statutory bar on water companies introducing alternative unmeasured charging systems. Under the Water Industry Act 1999, companies will be obliged to include in charges schemes details of the basis on which they wish to charge for water and sewerage services to homes. Schemes will be subject to approval by the Director General of Water Services. My right hon. Friend the Secretary of State will issue guidance to the Director General on the approval of schemes. We shall be consulting on draft guidance shortly.

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions what plans the Government have to review water rates, with particular reference to help for pensioners. [89206]

Mr. Meale: The Director General of Water Services' periodic review of prices for the period 2000–05 may be expected to offer reductions in average water and sewerage bills in April 2000.

The Water Industry Act 1999 will, for the first time, require water companies to give householders a measure of choice in the method by which they are charged for water. Many pensioners, if they make comparatively small demands on the water system, will be able to benefit from the new statutory right to be charged on a measured basis free of initial cost. We propose to make regulations under the Act to provide protection for households who are particularly vulnerable to high measured charges because of unavoidable high water use, such as those with certain medical conditions.

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions if he will take steps to ensure long-term reductions in water charges to domestic consumers. [89701]

Mr. Meale: Under the Water Industry Act 1991 the regulation of water and sewerage undertakers' price limits is for the Director General of Water Services. Changes in average charges for water and sewerage services must remain within limits set by the Director General for each company for each year. The Director General is currently conducting his periodic review of prices for the period 2000 to 2005. The Government have given guidance to the Director General on the environmental and water quality improvements to be delivered by 2005. We believe that these can be secured while offering reductions in average water and sewerage bills. The Director General expects to announce draft price limits for each undertaker later this month.

Energy Efficiency (Pensioner Households)

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions what measures his Department has taken to reduce the level of energy inefficiency in pensioner households. [89440]

Mr. Meale: The Government have developed a wide range of measures to improve domestic energy efficiency.

The Home Energy Efficiency Scheme (HEES) is currently the main programme for insulating the homes of the neediest householders. The Scheme provides grants (up to a maximum of £315) for energy efficiency improvements in the homes of people on benefits, the disabled and the over-60s. Those aged 60 or over but not on a qualifying benefit are entitled to a 25 per cent. grant.

On 11 May I launched our consultation proposals for revising and expanding HEES. With a budget of some £300 million for the first two years, New HEES will provide comprehensive packages of heating and insulation improvements. The programme will provide substantial help for over-60s on low income, including central heating systems, with a revised grant maximum of £1,800.

The Government have also increased the annual Winter Fuel Payment to £100 for every eligible pensioner household. Pensioners can put this money towards the cost of their fuel bills, or to help fund energy efficiency improvements.

In addition to a broad range of Government energy efficiency programmes, the Director General for Electricity has, since 1994, set Energy Efficiency Standards of Performance requiring the public energy suppliers to encourage and assist customers with energy efficiency measures. Around two thirds of this help has gone to pensioner and low-income families.

Telecommunication Masts (Chilterns)

Mr. Lidington: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received about applications to erect telecommunication masts in the Chilterns area of outstanding natural beauty. [89867]

Mr. Raynsford: My Department received two representations about a proposed mast at Chisley Wood, Buckmoorend.

Traffic Census (M56)

Mr. Stringer: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the cost to the local economy of his Department's traffic census on the M56 in May. [89441]

Ms Glenda Jackson: The relationship between delays to traffic and their impact on the local economy is complex and cannot be estimated for a one-off incident of this nature.

Mr. Stringer: To ask the Secretary of State for the Environment, Transport and the Regions what was the cost to his Department of the traffic census carried out on the M56 in May. [89444]

Ms Glenda Jackson: The census point on the M56/Princes Parkway site was one of 70 sites being surveyed for DETR, to monitor the effect of the completion of the Manchester Outer Ring Road (M60) Denton to Middleton. The average cost per site was about £4,000.

Remand Provisions (Housing Act 1996)

Mr. Stringer: To ask the Secretary of State for the Environment, Transport and the Regions when he will bring into force the commencement order for the remand provisions associated with section 152(2)(b) of and Schedule 15 to the Housing Act 1996. [89443]

Mr. Raynsford: My Department is aware that some local authorities take the view that non-implementation of certain provisions in Part V of the Housing Act 1996 (Conduct of Tenants) is hampering their efforts to deal with anti-social behaviour on estates. My Department is actively considering this issue and is discussing with the Lord Chancellor's Department the best way forward. I will write to my hon. Friend when we have reached a decision.

Departmental Car Pool

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions how many cars are available for the use of *(a)* his Department's Ministers, *(b)* his Department's officials and *(c)* executives and officials of his Department's non-Governmental bodies and agencies. [88087]

Mr. Prescott *[pursuant to his reply, 2 July 1999, c. 288]:* The position at March 1999 was as follows:

	Number of cars
(a) Ministers	[1]9
(b) DETR (Central)	[2]5
(c) Agencies	181

[1] leased from GCDA
[2] one leased from GCDA

In addition, the Department owns or leases 25 cars at the MAVIS (Mobility Advice Vehicle Information Service) Mobility Unit at Crowthorne. These cars are specially adapted for disabled assessment and although this is their primary purpose some are occasionally used by DETR officials on official business.

Information is not kept centrally for non-Government bodies.

My Department also has a shared responsibility (with DTI and DfEE) for the operational management of the Government Offices for the Regions. As at March 1999, there were 79 cars available for use of officials of these three departments.

SCOTLAND

Market Research

Mr. Don Foster: To ask the Secretary of State for Scotland if he will list the title and purpose of each item of market and opinion research commissioned by or through his Department, its agencies and non-departmental public bodies since May 1997 stating in each case whether or not the results were published. [89684]

Dr. Reid: Information on market and opinion research carried out by The Scottish Office, its agencies and non-departmental public bodies is not held centrally and could be obtained only at disproportionate cost.

CULTURE, MEDIA AND SPORT

Sports Clubs

Mr. Nigel Jones: To ask the Secretary of State for Culture, Media and Sport if he will assess the advantages and disadvantages of allowing voluntary sports clubs to become eligible for charity status. [88747]

Mr. Banks: The Charity Commission is currently undertaking a review of the Recreational Charities Act 1958, in which I am taking a close interest with Home Office colleagues who are responsible for charity issues. The outcome of the review will inform a subsequent public consultation about the charitable status of community based sports clubs. I understand that Sport England will make the case for a change to enable sports clubs to benefit from the many advantages that charitable status can offer. The Government will consider carefully the responses to the consultation.

European Communities Working Groups

Mr. Bercow: To ask the Secretary of State for Culture, Media and Sport if he will list the European Communities working groups which met over the last 12 months with a representative from his Department in attendance; if he will list the number of times each met; if he will indicate the nature of the Government's representation; and if he will make a statement. [88482]

Mr. Alan Howarth: Officials from my Department regularly attend meetings of Council working groups. Occasionally, my Department is represented by officials from the United Kingdom's Permanent Representation of the European Union. I have listed in the table the working groups with which my Department is most closely involved, and the number of meetings attended in the last 12 months.

	Meetings attended
Audiovisual	9
Cultural affairs	16
Economic questions (tourism)	[1]5
Intellectual property	[1]3

[1] DTI lead

Lottery Funding

Mr. Fearn: To ask the Secretary of State for Culture, Media and Sport if lottery funds from the World Class Performance Programme will be available for *(a)* chess,

(b) bridge, *(c)* pigeon racing and *(d)* hang-gliding when the new financial directions for the lottery come into force. [89142]

Mr. Banks: As a sport recognised by the UK and home Sports Councils, hang-gliding is eligible to apply for Lottery Sports funding. Lottery funds are, however, not unlimited and it will be necessary for the Sports Councils, when looking at applications, to prioritise and target awards based on criteria which they have established as the statutory distributors of Lottery funding for sport.

Currently, UK Sport and the four home country Sports Councils do not recognise bridge, chess and pigeon racing and are not eligible to receive Lottery Sports funding. We will seek to amend existing legislation when parliamentary time allows so that chess may become eligible for Lottery sports funding. The final details of the Bill have yet to be determined and we will consider again later in the year whether to extend these changes to other activities such as bridge.

Sports Governing Bodies

Mr. Fearn: To ask the Secretary of State for Culture, Media and Sport what powers the United Kingdom sports councils have to delegate the handling of small grants to member clubs to the governing bodies of sports; and who will be responsible for assessing whether those governing bodies have adequate administrative controls. [89145]

Mr. Banks: As independent corporate bodies set up by Royal Charter, it is for the UK and the four home country Sports Councils to determine their own spending and distribution priorities, to enable the most efficient and effective use of the public funds made available to them. Some of these funds are directed as grant-in-aid to sports governing bodies. The Sports Councils, as Lottery distributing bodies, have powers to delegate the handling of any grants made to governing bodies, member clubs and other groups. The Chief Executive of the Sports Councils act as Accounting Officers for the funding they receive and distribute and are explicitly required to ensure that any organisations given powers of delegation have suitable administrative controls and systems.

Newspapers

Mr. Dismore: To ask the Secretary of State for Culture, Media and Sport for each of the last five years, how much funding was allocated to *(a)* the British Library, *(b)* Colindale Newspaper Library, *(c)* archiving and filming at Colindale Newspaper Library and *(d)* public services at Colindale Newspaper Library. [89106]

Mr. Alan Howarth: The allocations to the four categories requested are shown in cash, excluding depreciation, internal charges and internal income. They are direct costs and exclude overheads, e.g. estates expenditure.

£000

	1994–1995	*1995–96*	*1996–97*	*1997–98*	*1998–99*
British Library					
Grant-in-aid	75,171	80,364	84,324	87,200	82,364
Newspaper Library					
Total gross expenditure	2,176	2,145	2,400	2,199	2,020
Total net (grant-in-aid) expenditure	1,423	1,337	1,667	1,476	1,222
Archiving and filming (gross)	1,034	1,126	1,203	1,044	978
Public services (gross)	436	446	468	496	469

Mr. Dismore: To ask the Secretary of State for Culture, Media and Sport what is the estimated durability and life expectancy of post-1850 newspaper newsprint copies held in the national newspaper collections. [89109]

Mr. Alan Howarth: Newspapers produced in the last 150 years have not been made to last. It is estimated that the durability of newsprint is unlikely to be more than 60 years. After this time, the paper is too brittle to be handled. The British Library is addressing the problem in its retrospective transfer of newsprint to microfilm and the continuing process of microfilming all issues of UK daily and weekly national and regional newspapers received under legal deposit.

The Library is also a subscriber to Newsplan, a co-operative programme devised by public libraries, national libraries and the newspaper industry for microfilming and preservation of local newspapers and for making them accessible to users. It is estimated that, since the late 1980s, over 14,000 reels of microfilm, each corresponding to a bound volume of historic local newspapers, have been filmed by the Newspaper Library for Newsplan. In March this year, the Heritage Lottery Fund awarded £5 million in support of Newsplan.

Acid Paper

Mr. Dismore: To ask the Secretary of State for Culture, Media and Sport what plans he has to discourage the use of acid paper for the printing of books, newspapers and paper records; and if he will make a statement. [89110]

Mr. Alan Howarth: The National Preservation Office at the British Library (in conjunction with the Library Association and the Society of Archivists) has for several years been instrumental in promoting actively the use of acid free paper, particularly to the UK publishing community. Resolutions for the use of permanent paper were adopted by the International Publishers Association in 1989, and by UNESCO IN 1997.

Newspapers (Microfilm)

Mr. Dismore: To ask the Secretary of State for Culture, Media and Sport (1) in the national newspaper collections, how many *(a)* national and *(b)* regional newspaper titles have (i) been copied onto microfilm and (ii) remain to be copied; and, on present estimates, how long it is forecast that it will take to complete the task; [89107]

(2) for each of the last five years, how many *(a)* national and *(b)* regional newspaper titles have been copied onto microfilm by the national newspaper library collections. [89108]

Mr. Alan Howarth: On current microfilming, since 1986, the policy of the British Library Newspaper Library at Colindale has been to film all issues of UK daily and weekly national and regional newspapers received through legal deposit.

The following numbers of newspaper "titles" were in publication and received through legal deposit in each of the five years:

Year	*National titles*	*Regional daily and weekly titles*
1994–95	31	627
1995–96	31	694
1996–97	30	711
1997–98	30	709
1998–99	30	706

The serial nature of newspaper publication means that the transfer of newsprint to microfilm is a continuous process. The transfer of issues of national titles to microfilm has been given high priority and this programme is up-to-date. Material awaiting transfer from issues of regional newspaper titles would constitute five years' microfilming at present output levels.

Retrospective transfer of newsprint to microfilm is undertaken in response to customer demand (self-funded) and in the light of conservation requirements within allocated budgets.

The total number of preservation frames microfilmed from newspapers in the last five years is:

Year	*Number frames*
1994–95	9,976,710
1995–96	11,127,221
1996–97	15,502,623
1997–98	11,608,279
1998–99	8,288,201

The Library has increased its allocation for current and retrospective microfilming in 1999–2000 by 37 per cent. over the previous year with a view to targeting production of 11.5 million frames. Further increases are planned for the following two years.

National Lottery

Mr. Russell Brown: To ask the Secretary of State for Culture, Media and Sport if he will list, for each year since the introduction of the National Lottery, *(a)* the percentage of income derived from sales in Scotland and *(b)* the percentage of charitable awards paid to Scottish-based voluntary organisations and charities. [89659]

Mr. Banks *[holding answer 2 July 1999]:* Total National Lottery ticket sales to date have reached £21 billion, of which sales in Scotland account for £1.6 billion (7.8 per cent. of ticket sales). Registered charities in Scotland have received 9.1 per cent. of all awards going to registered charities in the UK. Awards to voluntary organisations are not separately identified. The following table sets out the position in each year.

	Shares for Scotland	*Percentage*
	Ticket sales for Scotland as percentage of the sales	*Scotland total awarded to registered charities as a percentage of awards to all charities*
1 April 1994 to 31 March 1995	7.9	15.2
1 April 1995 to 31 March 1996	7.8	8.2
1 April 1996 to 31 March 1997	7.7	11.3
1 April 1997 to 31 March 1998	7.7	7.8
1 April 1998 to 31 March 1999	8.1	8.6
Total	7.8	9.1

HOUSE OF COMMONS

Law Reform Bills (Parliamentary Scrutiny)

Mr. Peter Bottomley: To ask the President of the Council if she will make a statement on the Government's response to the Law Commission recommendation for parliamentary procedural reform to facilitate scrutiny of law reform Bills. [87779]

Mrs. Beckett: I met the Chairman of the Law Commission on 22 June, after publication of the 33rd annual report, to discuss the enactment of Law Commission Bills. There are already special procedures in both Houses for such Bills, but modernisation of parliamentary procedures may in time create other opportunities for their scrutiny. The Government attach great importance to the work of the Law Commission. Where the Government do accept that the Commission's proposals merit legislation, we will seek to make the best use of available parliamentary time and procedures.

ATTORNEY-GENERAL

Crown Prosecution Service

Mr. Cox: To ask the Attorney-General how many cases there were in 1998 which were referred to the Crown Prosecution Service for criminal proceedings in which no further action was taken. [89178]

The Attorney-General: The table shows the number of cases which the Crown Prosecution Service received from the police, and the number which the Service finalised, during 1998. Both figures are inclusive of cases submitted for pre-charge advice and non-criminal proceedings, and the number of these are shown separately.

The number and proportion of cases in which a prosecution did not proceed are then shown. These outcomes are divided into cases discontinued by the Crown Prosecution Service, and those which were written off because the defendant could not be traced or had died, or because proceedings were adjourned indefinitely.

Finally, the number and proportion of cases in which a prosecution proceeded are shown, divided into those where the defendant was bound over, those which proceeded to a committal hearing, and those which proceeded to a trial or guilty plea.

A prosecution did not proceed in 251,167 cases, amounting to 18.5 per cent. of those completed during the year. However, it would not be true to say that no further action was taken in those cases. Every case received by the Crown Prosecution Service is reviewed by a lawyer, who must ascertain whether there is sufficient reliable and admissible evidence to offer a realistic prospect of conviction. If so, then the reviewing lawyer must determine whether a prosecution is in the public interest. The criteria on which these decisions are based are set out in the Code for Crown Prosecutors, and are applied in every case.

If the balance of the evidence or the public interest weigh against a prosecution then the police must be consulted, wherever time allows, before a decision is taken.

Review is a continuing process, extending up until the point at which a hearing begins. Thus a case may proceed as far as the date of the trial before the need for discontinuance becomes apparent and, in these circumstances, the prosecution will have taken all the action necessary to prepare for a contested hearing.

More than half of discontinued cases are unable to proceed because: witnesses fail to appear at court, refuse to give evidence, or change their evidence; defendants produce driving documents providing their innocence on the day of trial; evidence is excluded because of irregularities in its collection; or gaps in the prosecution case cannot be plugged by the police.

Cases not proceeding include those written off as well as those discontinued. However, these are quite distinct outcomes: a write off is an administrative procedure whereby dormant cases are removed from the record of live proceedings, so giving a more accurate account of work on hand. The majority of write offs occur where the police cannot trace a defendant for the service of a summons, or where a bench warrant for arrest remains unexecuted following the defendant's failure to surrender to bail. If the defendant is subsequently arrested, the prosecution can recommence.

Crown Prosecution Service Magistrates' Courts cases 1998

	Number	*Percentage*
Received	1,427,837	—
Finalised of which	1,430,555	—
Pre-charge advice	59,799	—
Non-criminal proceedings	11,660	—
Did not proceed		
Discontinued	162,661	12.0
Written off	88,506	6.5
Total cases which did not proceed	251,167	18.5
Cases proceeding		
Bind over	24,914	1.8
Committal hearing	95,073	7.0
Trial or Guilty plea	987,943	72.7
Total cases proceeding	1,107,930	81.5

CABINET OFFICE

Genetic Modification Committees

Mr. Baker: To ask the Minister for the Cabinet Office (1) what *(a)* the relationship is between and *(b)* the relative responsibilities are of the (i) Interdepartmental Group on Genetic Modification Technology and (ii) MISC 6; [87827]

(2) what is the membership of the Interdepartmental Group on Genetic Modification Technology; how often it has met; and if he will make a statement. [87826]

Dr. Jack Cunningham: The Interdepartmental Group on Genetic Modification Technology (IGGMOT) is an internal forum for officials across Government to co-ordinate policy matters on genetic modification. The Ministerial Group on Biotechnology and Genetic Modification (MISC 6) is responsible for making decisions on Government policy in respect of biotechnology. IGGMOT supports the work of Ministers by ensuring that the wide range of Government Departments with an interest in this issue are in close and regular contact with one another about developments. It is not the normal practice of Government to release details of internal discussions, advice to Ministers, specific meetings or their content. This principle is reflected in the Code of Practice on Access to Government Information.

Market Research

Mr. Don Foster: To ask the Minister for the Cabinet Office if he will list the title and purpose of each item of market and opinion research commissioned by or through his Department, its agencies and non-departmental public bodies since May 1997 stating in each case whether or not the results were published. [89693]

Mr. Kilfoyle: The information requested is not held centrally and is available only at disproportionate cost.

Public Sector Staff (Transfers)

Mr. Peter Bradley: To ask the Minister for the Cabinet Office what progress has been made on the Government's policy to protect the terms and conditions of public sector staff when they transfer to a new employer; and if he will make a statement. [90060]

Mr. Kilfoyle: I have today published for public consultation a Statement of Practice for Staff Transfers in the Public Sector which should ensure that Public Private Partnership (PPP) deals and modernisation within the public sector go forward smoothly and guarantee fair and consistent treatment of employees rights—utilising the Transfer of Undertakings (Protection of Employment)—TUPE—Regulations. The publication of this Statement reaffirms our commitment in the Modernising Government White Paper to support staff by presuming TUPE protections apply.

PPPs and organisational change within the public sector have a key part to play in delivering high-quality modern public services. I want future PPPs and organisational change to be conducted with the presumption that the protections of TUPE will apply unless there are genuinely exceptional reasons not to do so, ensuring that staff involved are treated fairly and consistently and their rights protected. Clarity and certainty about the treatment of staff involved in the modernisation of the public sector is

fair to staff, employers, contractors and taxpayers alike. The new Statement of Practice is designed to achieve this aim across the whole public sector.

The Statement of Practice, which includes the Chief Secretary's new policy for protecting pensions in PFI and PPP deals—14 June 1999, *Official Report*, column *30*—will now be subject to a 3-month public consultation exercise.

The Statement of Practice, following the public consultation exercise, will apply to Government Departments and Agencies and the intention is to apply it to the NHS. I hope that other public sector employers will also apply its principles, and the Government will encourage and facilitate that outcome.

Copies of "Staff Transfers in the Public Sector; Statement of Practice" have been placed in the Library of the House.

Genetic Modification

Mr. Baker: To ask the Minister for the Cabinet Office if he will set out the terms of reference for the inquiry he has established into the unauthorised disclosure of material relating to the public presentation of genetically modified issues. [89452]

Dr. Jack Cunningham: An inquiry was established by the Secretary of the Cabinet on 2 March 1999 to establish the facts regarding the unauthorised disclosure of a Cabinet Office document concerning genetically modified foods.

HEALTH

Residential and Nursing Homes

Mr. Waterson: To ask the Secretary of State for Health when he intends to announce the consultation arrangements in respect of the report of the Centre for Policy on Aging on National Standards for Residential and Nursing Homes, presented to him on 19 January; and if he will make a statement. [85047]

Mr. Hutton: We intend to publish the Centre for Policy on Aging report during the summer for full and extensive consultation.

Medical Staff (Pay)

Mr. Sawford: To ask the Secretary of State for Health if he will list the percentage increase in pay for trainee and newly qualified *(a)* nurses, *(b)* doctors and *(c)* biomedical scientists in each year from 1990 to 1999. [86468]

Mr. Denham: The information requested is shown in the table.

Year	*Pre registration house officer*	*Student nurse*	*Grade D nurse*	*Trainee MLSO (Biomedical scientist)*	*MLSO 1 (Biomedical Scientist)*
1990	9.5% from 1.1.1991 (7.0% from 1.4.1990)	13.9% from 1.1.1991 (7.0% from 1.4.1990)	9.0% (7.0% from 1.4.1990	7.9%	12.2%
1991	9.5% from 1.12.1991 (7.5% from 1.4.1991)	11% from 1.12.1991 (7.5% from 1.4.1991)	9.60% (7.5% from 1.4.1991)	11.3%	7.9%
1992	5.5%	6.0%	5.8%	6.8%	4.8%
1993	1.5%	1.5%	1.5%	1.5%	1.5%
1994	3.0%	3.0%	3.0%	2.6%	2.4%
1995	2.5%	1.0% national with 2.0% agreed locally	1.0% national with 2.0% agreed locally	1.0% national with 2.0% agreed locally	1.0% national with 2.0% agreed locally
1996	6.8%	**	2.0% plus local pay (2.8% as baseline for 1997 pay)	2.0% plus local pay (2.8% as baseline for 1997 pay)	2.0% plus local pay (2.8% as baseline for 1997 pay)
1997	3.75% from 1.12.1997 (2.35% from 1.4.1997)	—	4.1% from 1.12.1997 (2.0% from 1.4.1997)	3.3% from 1.12.1997 (2.0% from 1.4.1997)	3.3% from 1.12.1997 (2.0% from 1.4.1997)
1998	4.55% from 1.12.1998	—	3.8% from 1.12.1998 (2.0% from 1.4.1998)	3.8% from 1.12.1998 (2.0% from 1.4.1998)	3.8% from 1.12.1998 (2.0% from 1.4.1998)
1999	3.5%	—	[1]2.0%	Under negotiation	Under negotiation

[1] Increase for lowest point of scale.

Notes:

1. All staged settlements are shown in full with the date of implementation first, followed by initial payment and date.
2. In 1993 all settlements in the public sector were agreed at 1.5%.
3. ** Project 2000 nurse training was fully implemented so all trainees receive a bursary.
4. Biomedical Scientists are classed as Medical Laboratory Scientific Officers (MLSOs) for pay and grading purposes.
5. Pay Offers for 1999, now subject to consultation by Staff Side with their members, would give trainee MLSOs between 6.6% and 26% and 7.1% to all MLSO1s.

Source:

Advance Letters, Report of Review Body for Nursing Staff, Midwives and Health Visitors.

GP Lists (Removals)

Mr. O'Hara: To ask the Secretary of State for Health if he will implement the Health Ombudsman's recommendation that health authorities review removals from GPs' lists and conduct research on such removals. [87971]

Mr. Denham: In his evidence to the Select Committee on Public Administration, Sir Alan Langlands made a commitment to further research into the reasons why general practitioners remove patients from their lists. Funding has been arranged for this and a steering group, which will include representation from the General Practitioners Committee, will be set up.

Junior Doctors

Dr. Harris: To ask the Secretary of State for Health what will be the hourly rate of pay for house officers working in hospitals on 31 December 1999 and 1 January 2000. [88066]

Mr. Denham: Those staff who are required by roster to work in hospitals on 31 December 1999 and 1 January 2000 will receive their normal rate of pay: 100 per cent. for their standard hours, and payments for additional duty hours at the rate appropriate to their working pattern. Doctors rostered for duty on either of these two bank holidays will also receive time off in lieu.

The payment of additional duty hours (ADHs) for a 72 hour week adds an extra 40 per cent. to the basic salary of a junior doctor, enhancing the basic salary from £16,710 for a first year house officer to £23,394 when ADHs are included.

Pay for first year house officers expressed as an hourly rate is £8.04 for each standard hour of duty. A class 1 (full shift) additional duty hour (ADH) will be paid at £8.04; a class 2 (partial shift) ADH will be paid at £5.63; and a class 3 (on-call) ADH will be paid at £4.02. Doctors in more senior training grades will receive higher pay rates according to their incremental point: for example, a specialist registrar on the fourth point of scale would receive ADHs at the hourly rate of £12.90, £9.63 and £6.45 respectively. The basic salary scale for an SpR is from £23,300 to £33,965. When ADH rates are included the total salary payable ranges from £32,617 to £45,571. For senior house officers the basic salary scale is from £20,845 to £27,845 and, including ADHs, the total salary payable ranges from £29,176 to £38,993.

Diamorphine

Dr. Iddon: To ask the Secretary of State for Health if he has made recommendations on dosages of Diamorphine that can be given to patients suffering from a terminal condition. [87990]

Ms Jowell: In June 1998 the Department endorsed and distributed throughout the National Health Service three documents of good practice in palliative care, produced by the National Council for Hospice and Specialist Palliative Care Services. One of these documents was "Guidelines for Managing Cancer Pain in Adults", which was designed for use by health professionals in primary care and institutional settings and includes guidance on dosages of Diamorphine for terminally ill patients. Copies are available in the Library.

Women's Unit

Lorna Fitzsimons: To ask the Secretary of State for Health what *(a)* reports and *(b)* research have been produced by the Women's Unit; when these were produced; and which have been published. [88388]

Ms Jowell: The Women's Unit has produced the following:

(a) Reports and Guidance

National Childcare Strategy (with Department for Education and Employment) May 1998

Policy Appraisal for equal treatment, (with the Home Office and DfEE) on 9 November 1999

Delivering for women: Progress so far, on 9 November 1998

4th Report of the United Kingdom of Great Britain and Northern Ireland United Nations Convention on the Elimination of all Forms of Discrimination against Women, on 15 January 1999

(b) Research

Tackling violence against women, on 9 November 1998

Researching Women's Attitudes, on 9 November 1998

Women's Individual Income (with Government Statistical Services, and Department of Social Security Analytical Services Division), on 26 March 1999

Women's attitudes to combining paid work and family life, on 31 March 1999

Citizens' Juries: An appraisal of their role based on the conduct of two women only juries, on 31 March 1999

Relationship Breakdown: a Guide for Social Landlords (with Department of the Environment, Transport and the Regions and Department of Health), on 18 May 1999

Living Without Fear: An integrated approach to tackling violence against women, on 30 June 1999.

The reports and research have all been published. The Women's Unit has also contributed to a wide range of other Government publications and reports.

European Communities Working Groups

Mr. Bercow: To ask the Secretary of State for Health if he will list the European Communities working groups which met over the last 12 months with a representative from his Department in attendance; if he will list the number of times each met; if he will indicate the nature of the Government's representation; and if he will make a statement. [88473]

Ms Jowell: Officials from the Department regularly attend meetings of Council working groups. Occasionally the Department is represented by officials from the United Kingdom's Permanent Representation to the European Union. The Department is most closely involved with the Health working group which has met 18 times in the last 12 months. Officials from the Department also attend meetings of the Economic Questions. Social Affairs, and Youth working groups when relevant issues are discussed.

Influenza

Liz Blackman: To ask the Secretary of State for Health what estimate he has made of the cost of last winter's influenza epidemic to his Department. [88774]

Ms Jowell: The information requested is not available centrally.

Cancer Services

Mr. Paul Marsden: To ask the Secretary of State for Health, pursuant to his answer of 11 June 1999, *Official Report*, column *416*, if he will list the cancer centres in the West Midlands. [88734]

Mr. Hutton: The following hospitals in the West Midlands Region have designated cancer centres:

University Hospital Birmingham National Health Services Trust

Walsgrave Hospitals NHS Trust

Royal Wolverhampton NHS Trust

North Staffordshire NHS Trust

Royal Shrewsbury Hospital NHS Trust, which is a joint cancer centre with North Staffordshire Hospital Trust cancer centre.

These centres are designated for treating certain types of cancer, and not necessarily all cancers.

Mr. Paul Marsden: To ask the Secretary of State for Health if he will estimate the percentage profit made by drug companies on each individual drug used in cancer treatment. [88729]

Mr. Hutton: The Government indirectly control the prices of branded prescription medicines supplied to the National Health Service by the pharmaceutical industry through the Pharmaceutical Price Regulation Scheme (PPRS). Companies have freedom of pricing for new medicines launched on the market, although the PPRS controls the profits that pharmaceutical companies are allowed t make through their trade with the NHS.

Under the PPRS, pharmaceutical companies are required to submit annual financial returns to the Department of Health reporting, among other things, sales, research and development expenditure, other costs and profits. These returns, however, are reported in aggregate form. It is not possible, therefore, to identify separately the profits made by pharmaceutical companies on individual medicines.

Special Advisers (Costs)

Mr. Tyrie: To ask the Secretary of State for Health if he will (1) list the total number of occasions when *(a)* departmental and *(b)* non-departmental special advisers have travelled abroad in an official capacity since 2 May 1997; [76828]

(2) what was the total cost, including travel and accommodation, of each occasion when a special adviser from his Department travelled abroad in an official capacity since 2 May 1997, whether accompanied by a Minister or not, indicating the place visited. [89066]

Ms Jowell: Between 2 May 1997 and 30 June 1999, special advisers have accompanied my right hon. Friend the Secretary of State abroad on six occasions to America, Brussels and Madrid at a total cost of £6,370.

All travel complied with the requirements of the Ministerial Code and the Civil Service Management Code.

Maternity Units

Laura Moffatt: To ask the Secretary of State for Health if he will list the midwife lead maternity units without a full consultant unit on site. [88930]

Ms Jowell: The Department does not collect the information requested. Details of local maternity service provision can be obtained from health authorities and individual National Health Service trusts. They are responsible for decisions about patterns of service delivery taking account of the needs of local people, evidence of effectiveness and available resources.

Vaccinations

Mr. Ian Stewart: To ask the Secretary of State for Health what assessment he has made of the present methods of reporting adverse reactions to vaccination; and if he will make a statement. [88806]

Ms Jowell: The safety of medicines, including vaccines, in the United Kingdom is continuously monitored by the Committee on Safety of Medicines (CSM) and the Medicines Control Agency (MCA). Various data sources are used including spontaneously reported adverse drug reactions (ADRs), company produced periodic safety update reports, clinical trials and epidemiological studies such as the recent North Thames study on MMR vaccine.

Under the UK spontaneous reporting (Yellow Card) Scheme, doctors, dentists, hospital pharmacists and coroners may report adverse drug reactions to the CSM and MCA. Pharmaceutical companies have a statutory obligation to report suspected adverse reactions received world wide in relation to their products.

The Yellow Card Scheme is regularly reviewed by the MCA and CSM and initiatives are undertaken to strengthen reporting when necessary.

The reporting of suspected ADRs to vaccines through the Yellow Card Scheme was specifically reviewed by the MCA and CSM in 1997.

Market Testing

Mrs. Brinton: To ask the Secretary of State for Health what guidance has been given to NHS trusts on market testing their insurance requirements; and if he will make a statement. [89081]

Mr. Denham: Historically, National Health Service trusts have not been required to market test their insurance requirements. As with other goods and services, however, they have been expected to obtain best value for money. Since 1 April this year trusts have only been permitted to renew commercial insurance to cover motor vehicle risks. They are now able to cover other non-clinical risks—mainly buildings, property and liabilities—by membership of two new NHS risk pools established under Section 21 of the NHS and Community Care Act, 1990. Alternatively, they may choose to self-indemnify. These new arrangements are already significantly reducing the overall cost of insurance to the NHS, releasing additional money for patient care.

NHS Direct

Mr. Chope: To ask the Secretary of State for Health what is the planned cost of NHS Direct in the current year. [89060]

Mr. Denham *[holding answer 29 June 1999]:* £54 million has been allocated in 1999–2000 to NHS Direct.

Mr. Chope: To ask the Secretary of State for Health how many calls have been made to the NHS Direct phone line to date; and what was the average cost per call. [89057]

Mr. Denham *[holding answer 29 June 1999]:* Over 250,000 calls have been made to the NHS Direct phone line since its launch in March 1998. While call volumes are building up rapidly it is not possible to provide a realistic estimate of the average cost per call.

Mr. Chope: To ask the Secretary of State for Health what change has been recorded in the number of visits to general practitioners' surgeries and accident and emergency units in those areas where the first three pilots of NHS Direct were established. [89054]

Mr. Denham *[holding answer 29 June 1999]:* Sheffield University's Medical Care Research Unit has been commissioned to carry out an evaluation of the first wave pilots of NHS Direct. Data, in their first interim report published in March 1999, on the impact of NHS Direct on other services covered only the first 5 months of operation of NHS Direct and the researchers concluded that it would have been surprising to have seen any measurable impact at such an early stage. Monitoring of this data is continuing and a further report will be published later in the year.

GP Consultations

Mr. Chope: To ask the Secretary of State for Health (1) what was the cost of an average GP consultation in (i) 1997–98 and (ii) 1998–99; and what is the forecast cost for 1999–2000; [89058]

(2) how many general practitioner consultations took place in (i) 1997–98 and (ii) 1998–99; and what number is forecast for 1999–2000. [89059]

Mr. Denham *[holding answer 29 June 1999]:* The information is not available in the form requested. The latest information collected (and published as figure 4.18 in the Departmental Report for 1999–2000) relates to 1996–97 when there were estimated to be 270.97 million consultations with general practitioners. These data were based on the General Household Survey and may overestimate the number of consultations.

Hospital Waiting Times (Oxfordshire)

Mr. Heseltine: To ask the Secretary of State for Health what was the total number of patients waiting over 13 weeks for an outpatient appointment following a written referral from their GP in the Oxfordshire Health Authority area in *(a)* March 1996, *(b)* March 1997, *(c)* March 1998 and *(d)* March 1999. [89072]

Mr. Denham: The information requested is as follows:

(a) These figures were not collected.

(b) These figures were not collected.

(c) 1,136

(d) 2,006.

GP Prescribing

Mr. Paul Marsden: To ask the Secretary of State for Health if he will review the cost effectiveness of GP prescribing. [89091]

Mr. Denham: The Government continue to encourage general practitioners to prescribe cost effectively. A number of measures are in place to help them to achieve this, for example the employment of prescribing advisers by health authorities. Recent developments such as the National Institute for Clinical Excellence will also help to ensure cost effective prescribing.

Patient Satisfaction Survey

Mr. Paul Marsden: To ask the Secretary of State for Health what progress has been made on publishing patient satisfaction survey results for each NHS trust. [89084]

Mr. Denham: The Government are committed to publishing national and local results of the national survey of National Health Service patients. As part of this programme, a survey of patients with coronary heart disease is underway, and we expect to publish headline results in due course.

Health Products

Dr. Cable: To ask the Secretary of State for Health what guidance he has given to health specialists on the altered status of particular health substances following the Government's consultation document MLX 249. [89290]

Ms Jowell: No guidance is required. The proposals in the consultation document MLX 249 will not alter the status or classification of health products.

Processed Food (Salt Content)

Ms Drown: To ask the Secretary of State for Health if he will make a statement on his discussions with the food industry on reducing the salt content of processed food. [89298]

Ms Jowell: Following initial discussions between the Ministry of Agriculture, Fisheries and Food/Department of Health Joint Food Safety and Standards Group and the Food and Drink Federation (FDF) which represents the food and drink manufacturing industry) to explore the scope for broadening public choice in, and reducing, the salt content of processed foods, the FDF has announced that it will be conducting a systematic review of the purpose and usage of sodium in manufactured foods. We have welcomed this review.

Millennium Compliance (West Kent)

Dr. Stoate: To ask the Secretary of State for Health (1) what steps he has taken to ensure that the computer systems in use by the West Kent Health Authority are millennium compliant and that hospital and health provision will not be affected on 1 January 2000; [89185]

(2) what steps he has taken to ensure that the computer systems in use by the Kent Ambulance Service are millennium compliant and that emergency services will not be affected on 1 January 2000. [89184]

Mr. Denham: Detailed local arrangements for the National Health Service and social services in planning for winter 1999–2000 including the millennium period were set out in a joint circular to the National Health Service and Social Services (LAC(99)15) in April 1999. Copies are available in the Library.

Kent Ambulance NHS Trust and West Kent Health Authority are making good progress towards ensuring year 2000 compliance.

Progress is monitored quarterly by the National Health Service Executive to ensure robust arrangements are in place to deliver services for the coming winter including the millennium period.

Cloning

Dr. Gibson: To ask the Secretary of State for Health if he will make a statement on the Government's policy on therapeutic cloning of human tissue. [89181]

Ms Jowell: The use of cloning techniques on non-embryonic human cells and tissue is a long-established medical practice for the treatment of serious disorders. This may include treatment using vaccines developed with cloning technology, or tissue grants such as skin for burn victims.

In December 1998 the joint Human Genetics Advisory Commission (HGAC) and Human Fertilisation and Embryology Authority (HFEA) report "Cloning Issues in Reproduction, Science and Medicine" was published. The Report recommended, among other things, that the Government should consider making regulations under the Human Fertilisation and Embryology Act 1990 to extend the purposes for which human embryos may be used in research to include particular therapeutic purposes.

The Government's response to the joint HGAC/HFEA report, 24 June 1999, *Official Report*, column *436*, reaffirmed their policy that human reproductive cloning is ethically unacceptable and cannot take place in this country. However, we recognise that the recommendation to extend the regulations to allow research for particular therapeutic purposes should be very carefully considered. We believe that more evidence is required of the need for using human embryos in such research, its potential benefits and risks and also that account should be taken of alternative approaches that might achieve the same ends.

We announced that a group chaired by the Chief Medical Officer would be set up to examine these issues and report early next year. We expect to announce the membership of that group shortly.

Agency Nurses

Dr. Cable: To ask the Secretary of State for Health what steps his Department takes *(a)* to monitor the cost of agency recruited nurses and *(b)* to give guidance to health purchasers on appropriate charges for agency nurses. [89383]

Ms Jowell: The National Health Service Executive is working with the Social Partnership Forum to review the use of bank and agency staff and the alternative approaches to employment flexibility, with a view to recommending good practice guidance to NHS employers.

Dr. Cable: To ask the Secretary of State for Health what is the average cost to the NHS in London of *(a)* hiring a nurse through an agency and *(b)* recruiting a nurse of comparable grade through the NHS. [89382]

Mr. Denham: The information requested is not available centrally.

NHS Staff Pay

Mr. Cummings: To ask the Secretary of State for Health if he will place in the Library the letter dated 1 February sent by the Chief Executive of the NHS to NHS trusts and health authorities concerning pay for staff in 1999–2000. [89587]

Mr. Denham: Copies of the letter have been placed in the Library.

Clinical Terms

Jane Griffiths: To ask the Secretary of State for Health when the formal review of Read Codes 3 will take place. [89651]

Mr. Denham: I refer my hon. Friend to the reply I gave to my hon. Friend the Member for High Peak (Mr. Levitt) on 14 April 1999, *Official Report*, columns *270–71*.

The independent evaluation of the Read Codes is taking place in the following three stages.

(i) An assessment of the need for clinical terminology and the robustness of Clinical Terms Version 3 against alternatives;

(ii) Development of a methodology for evaluating clinical codes in use;

(iii) A process of continuous evaluation in live use in clinical practice.

The first stage has been completed, and copies of the report are available in the Library. A contract has been awarded after open competition to First Consulting Group for the second stage. The methodology for the evaluation of clinical terminology will be developed by September 1999. It will then be rigorously trialled in the National Health Service in preparation for stage 3.

Jane Griffiths: To ask the Secretary of State for Health how many general practitioner practices are using Read Codes Version 3. [89647]

Mr. Denham: Records indicate that 41 software system suppliers to the National Health Service have licences giving them access to Version 3 of the Read Codes (CTV3). Suppliers are building systems to support CTV3 to underpin the development of the Electronic Patients Record in full. Current software in common use by general practitioners is based on earlier versions of the Read Codes.

The NHS Executive intends to mandate the use of a coded clinical terminology (currently Clinical Terms Version 3 (Read Codes)) which is a central plank of the NHS Information Management and Technology Strategy "Information for Health", published in September 1998. This is a pre-requisite for the development of the Electronic Health record which is the cornerstone of the strategy.

Jane Griffiths: To ask the Secretary of State for Health on what basis Mr. Roger Browell was selected for the Phase 1 Read Codes Review. [89656]

Mr. Denham: Roger Browell was selected for the Phase 1 Read Codes evaluation via the Strategic Assignment Consultancy Service (SACS) of the Central Computer and Telecommunications Agency (CCTA).

SACS is an established service whereby CCTA procures consultants with a wide experience of Information Services and Information Technology. CCTA was asked to procure an independent consultant with no previous input to the work area in order to maintain independence.

Jane Griffiths: To ask the Secretary of State for Health how many NHS trusts are using Read Codes Version 3 on a hospital-wide basis; and in which hospitals. [89646]

Mr. Denham: Licensing records indicate that 41 software system suppliers to the National Health Service and 149 NHS trusts have access to Version 3 of the Read Codes. Records also indicate that the Version 2 terms in a Version 3 file format is used in Scotland and by one system supplier with several sites in England.

Health Act 1999

Dr. Naysmith: To ask the Secretary of State for Health how he intends to use his order-making powers under schedule 3 of the Health Bill [*Lords*]. [89464]

Mr. Denham: The powers in Section 60 of what is now the Health Act 1999 allow for the regulation of new professions and the strengthening of existing regulatory schemes by Order. We intend to use these powers to fulfil our commitment to work with the professions to strengthen and modernise the existing systems of health professional self-regulation.

Clinical Negligence

Mr. Malins: To ask the Secretary of State for Health if NHS trusts are free to use private sector insurance to obtain clinical negligence cover. [89354]

Mr. Denham *[holding answer 2 July 1999]:* There is no legal impediment to a National Health Service trust using commercial insurance for clinical negligence risks. However, the NHS Executive has always strongly discouraged trusts from doing so on the basis that it does not represent good value for money, and trusts have accepted that advice. The Clinical Negligence Scheme for trusts was established to help trusts manage their clinical negligence liabilities. At present all trusts are members of that Scheme.

Mr. Malins: To ask the Secretary of State for Health from whom the Clinical Negligence Scheme for Trusts has sought reinsurance; and if the reinsurance was competitively tendered. [89355]

Mr. Denham *[holding answer 2 July 1999]:* The Clinical Negligence Scheme for trusts is a voluntary risk pooling scheme set up under Section 21 of the National Health Service and Community Care Act 1990 to help NHS trusts manage their clinical negligence liabilities. It is self-funding through annual contributions from member trusts. At present all NHS trusts are members of the scheme. Individual members' contributions are assessed according to the type of services they provide and their past claims history.

Prescriptions Charges

Mr. Laurence Robertson: To ask the Secretary of State for Health which patients qualify for free prescriptions; which illnesses qualify patients for free prescriptions; and if he will make a statement. [89663]

Mr. Denham *[holding answer 2 July 1999]:* The information requested is contained in leaflet HC11 "Are you entitled to help with health costs?", copies of which are available in the Library.

INTERNATIONAL DEVELOPMENT

Ministerial Visits

Mrs. Gillan: To ask the Secretary of State for International Development (1) what dates she and the Minister of State plan to be absent from the office in 1999; [89618]

(2) what overseas visits are proposed for *(a)* her and *(b)* Ministers in her Department from 1 July to 1 December. [89617]

Mr. Foulkes *[holding answer 2 July 1999]:* My right hon. Friend the Secretary of State and I have planned overseas visits on Government business up to 1 December 1999 as follows:

Date	*Destination*	*Project*
5–9 July	Nicaragua and Honduras	DFID Projects
19–21 July	Sierra Leone	DFID Projects
28–30 July	Brussels	Lome Ministerial meetings
30 August–3 September	Bolivia	DFID Projects
25–27 September	Washington	IMF/World Bank meetings
29 September	New York	Ministerial Group on Environment and Poverty

Both the Secretary of State's and my diaries for the rest of the year are likely to include speaking engagements and overseas travel which are as yet undetermined.

My ministerial responsibilities involve working from offices in East Kilbride and London.

EDUCATION AND EMPLOYMENT

Departmental Expenditure

Mr. Don Foster: To ask the Secretary of State for Education and Employment if he will list actual and planned expenditure in each financial year by his

Department, agencies and non-departmental public bodies on *(a)* market research, *(b)* conferences, *(c)* direct mail, *(d)* advertising and publicity, *(e)* opinion polling, *(f)* websites, *(g)* hospitality, *(h)* central administration costs and *(i)* external consultants and advisers on (i) summer literacy schools, (ii) the National Grid for Learning, (iii) the New Deal for Schools Phase 3 and (iv) special educational needs. [88182]

Mr. Charles Clarke: The following tables list the actual and planned expenditure for the financial years 1997–98, 1998–99 and 1999–2000 as appropriate. These costs represent expenditure which has been identified as additional to that which would have been incurred as part of the normal operational activity.

Summer literacy schools

£

Year	Market research	Conferences	Direct mailing	Advertising and publicity	Opinion polling	Websites	Hospitality	Central administration costs	External consultants and advisers
1997–98									
Planned	0	15,000	0	0	0	0	0	2,500	7,500
Actual	0	15,000	0	0	0	0	0	3,500	7,500
1998–99									
Planned	0	70,000	4,000	0	0	0	0	12,000	10,000
Actual	0	70,000	4,000	0	0	0	0	10,500	10,000
1999–2000									
Planned	0	0	4,000	0	0	0	0	9,000	0

National Grid for Learning—departmental spend

£

Year	Market research	Conferences	Direct mailing	Advertising and publicity	Opinion polling	Websites	Hospitality	Central Administration Costs	External consultants and advisers
1997–98									
Planned	0	[1]—	780	44,000	0	0	0	[1]—	22,900
Actual	0	[1]—	780	44,000	0	0	0	[1]—	22,900
1998–99									
Planned	0	[1]—	[1]—	98,000	0	0	0	[1]—	55,000
Actual	0	[1]—	[1]—	98,000	0	0	0	[1]—	55,000
1999–2000									
Planned	0	50,000	[1]—	40,000	0	0	0	[1]—	154,200

[1] These costs were unable to be separated from total spend incurred in this category

National Grid for Learning—spend incurred by the British Educational Communications and Technology Agency

£

Year	Market Research	Conferences	Direct Mailing	Advertising and publicity	Opinion polling	Websites	Hospitality	Central administration costs	External consultants and advisers
1997–98									
Planned	0	0	0	0	0	285,000	0	[1]—	0
Actual	0	0	0	0	0	285,000	0	[1]—	0
1998–99									
Planned	0	0	0	27,000	0	330,000	0	333,900	137,000
Actual	0	0	0	27,000	0	330,000	0	333,900	137,000
1999–2000									
Planned	0	125,000	0	0	0	435,000	0	655,350	430,000

[1] These costs were unable to be separated from total spend incurred in this category

New Deal for Schools Phase 3

There was no additional spend in any of the categories identified for the New Deal for Schools programme—Phase 3.

Special educational needs

£

Year	Market research	Conferences	Direct mailing	Advertising and publicity	Opinion polling	Websites	Hospitality	Central administration costs	External consultants and advisers
1997–98									
Planned	0	0	0	0	0	0	0	0	0
Actual	0	0	0	0	0	0	0	0	0
1998–99									
Planned	0	120,000	0	0	0	0	0	0	64,528
Actual	0	127,247	1,750	0	0	0	0	0	64,528
1999–2000									
Planned	0	32,500	0	0	0	0	0	0	127,204

School Playing Fields

Mr. Spring: To ask the Secretary of State for Education and Employment how many school playing fields were sold *(a)* between 1979 and 1997 and *(b)* from May 1997 to date; and how these figures were collated. [88662]

Mr. Charles Clarke: The Department did not collect information in the form requested before 1 October 1998, when section 77 of the School Standards and Framework Act 1998 came into force. However, sports bodies suggest that under the previous Government 40 playing fields a month were being sold off. Since 1 October 1998 an average of 8 applications a month have been approved. Because of the tightening up of the rules, local authorities are usually only putting forward proposals which meet our very strict criteria which have been further strengthened by new guidance we published on 7 June.

Schools Funding

Mr. Lidington: To ask the Secretary of State for Education and Employment if he will list for each local education authority the percentage share of the local schools' budget delegated to schools, calculated to take account of whether an authority has capitalised Standard Fund money or delegated it to schools. [89153]

Ms Estelle Morris: Tables which the Government published on 24 June showed, in column 2, the percentage of each local education authority's Local Schools Budget being delegated to schools this year. Delegated funding in this context took [redacted] account that part of an authority's Standards Fund programme which they were devolving to schools. We expect authorities to exclude from their Local Schools Budget any grant-supported expenditure of a capital nature.

Special Educational Needs

Mr. Blizzard: To ask the Secretary of State for Education and Employment when he plans to implement the policies outlined in the Green Paper, Excellence for All Children: Meeting Special Educational Needs. [89339]

Mr. Charles Clarke: We received over 3,600 responses to consultation on the proposals in the Green Paper, "Excellence for all children: meeting special educational needs". In the light of those responses, and advice from the National Advisory Group on Special Educational Needs, we published "Meeting Special Educational Needs: A programme of action" in November 1998. The Action Programme explains how we will implement our policies for children with special educational needs for the remainder of this Parliament.

Deprived Areas (Educational Achievement)

Mr. Blizzard: To ask the Secretary of State for Education and Employment what steps he is taking to raise parents' expectations of their children's educational achievement in deprived areas. [89340]

Ms Estelle Morris: Involving parents in their children's learning is crucial to raising their expectations and we are pursuing a number of initiatives to encourage them to be actively involved. Parents have an important role to play in helping to raise standards in Education Action Zones and in the new "Excellence in Cities" initiative.

We are supporting family literacy and family numeracy courses, targeted on parents and children with low basic skills, often in deprived areas. Many parents are helping with our summer school pilots this year, several of which are targeted at pupils in deprived areas who might not otherwise have access to the opportunities offered. And our "Playing for Success" initiative is establishing study support centres with Premier League and Nationwide Division One football clubs, most of which are situated in deprived areas. The centres target local pupils who have lost motivation, involving their parents through pre-course meetings and questionnaires.

The publication of school performance tables enables parents to look at the results obtained by similar schools and encourages them to demand more of those in which their children are educated.

Head Teachers

Mr. Cann: To ask the Secretary of State for Education and Employment what steps he has taken to increase the *(a)* support for and *(b)* training of head teachers. [89362]

Ms Estelle Morris: I refer my hon. Friend to the answer I gave to my hon. Friend the Member for North-West Leicestershire (Mr. Taylor) on 10 June 1999, *Official Report*, column *390*.

Equal Opportunities

Mr. Willis: To ask the Secretary of State for Education and Employment what action he has taken to monitor the impact of equal opportunities legislation on recruitment, pay and promotion opportunities of *(a)* male, *(b)* female, *(c)* disabled and *(d)* ethnic minority university research and teaching staff; and what were the results of this monitoring. [89563]

Ms Hodge: The Government have promoted the recommendation of the National Committee of Inquiry into Higher Education (the Dearing Committee) that all higher education institutions should review their Equal Opportunities policies, and identify and remove barriers to recruitment and progression for particular groups. The Committee of Vice-Chancellors and Principals and the Commission on University Career Opportunity are advising institutions on equal opportunities policies and monitoring their implementation in the sector.

Ethnic Minorities

Mr. Sutcliffe: To ask the Secretary of State for Education and Employment which local authority received the highest level of support through ethnic minority achievement grant for 1999–2000. [89439]

Mr. Charles Clarke *[holding answer 2 July 1999]:* In 1999–2000, Tower Hamlets local education authority will receive the highest level of support—an allocation of £8,125,390.

Mr. Sutcliffe: To ask the Secretary of State for Education and Employment which local authority contributed the greatest amount towards ethnic minority achievement grant for 1999–2000. [89437]

Mr. Charles Clarke *[holding answer 2 July 1999]:* In 1999–2000, Bradford local education authority will make the greatest contribution—50 per cent. of its allocation of £7,569,000.

LEAs (Strategic Management)

Mr. Laurence Robertson: To ask the Secretary of State for Education and Employment if he will rank each local education authority according to the value of its budget for strategic management in 1999–2000 as a percentage of that for management and administration in 1998–99; and if he will show those percentages and values distinguishing the authorities with grant-maintained schools in 1998–99. [89740]

Ms Estelle Morris: Direct comparison cannot be drawn between local authorities' estimated expenditure on management and administration for 1998–99 and their estimated expenditure on strategic management for 1999–2000 in view of the very different definitions set down in regulations. Figures extracted from the statements for 1998–99 prepared under section 122 of the Education Act 1996 and for 1999–2000 prepared under section 52 of the School Standards and Framework Act 1998 are provided in the following table.

£ million

LEA name	*Management and administration 1989–90*	*Strategic management (a) 1999–2000*
City of London	0.044	0.370
Camden	0.953	*3.317
Greenwich	2.038	*5.622
Hackney	1.023	*4.536
Hammersmith and Fulham	0.881	*1.787
Islington	0.960	3.173
Kensington and Chelsea	1.339	*1.998
Lambeth	1.069	*3.511
Lewisham	2.157	*5.041
Southwark	2.197	*5.129
Tower Hamlets	2.644	*5.113
Wandsworth	0.851	*3.272
Westminster	2.070	1.521
Barking and Dagenham	1.351	1.692
Barnet	1.313	*3.978
Bexley	1.607	*4.198
Brent	1.393	*2.800
Bromley	1.101	*3.525
Croydon	1.041	*3.666
Ealing	2.103	*3.050
Enfield	2.354	*4.669
Haringey	1.845	*6.158
Harrow	1.081	*3.670
Havering	0.876	*3.146
Hillingdon	1.056	*2.469
Hounslow	1.839	*3.521
Kingston upon Thames	0.726	*1.517
Merton	0.747	*3.717
Newham	2.493	*3.837
Redbridge	2.314	*6.043
Richmond upon Thames	0.872	1.936
Sutton	0.944	*3.331
Waltham Forest	1.945	*3.820
Birmingham	5.066	*16.766
Coventry	2.355	5.358
Dudley	1.006	*4.929
Sandwell	1.605	*5.990
Solihull	0.660	*3.179
Walsall	1.510	*4.690
Wolverhampton	1.755	*3.430
Knowsley	1.582	*4.354
Liverpool	6.489	*9.387
St. Helens	1.504	2.952
Sefton	2.996	4.652
Wirral	1.938	*7.380
Bolton	1.407	*4.428
Bury	1.312	*4.356
Manchester	4.085	*15.706
Oldham	1.760	3.533
Rochdale	1.225	*3.780
Salford	2.097	*4.706
Stockport	1.175	4.128
Tameside	1.102	*4.036
Trafford	1.303	*3.321
Wigan	1.525	3.733
Barnsley	0.872	3.552
Doncaster	2.369	*5.553
Rotherham	1.732	2.639
Sheffield	2.751	*8.831
Bradford	3.053	*7.693
Calderdale	1.074	*2.925
Kirklees	2.345	*6.694
Leeds	3.157	*10.747
Wakefield	1.763	4.905
Gateshead	1.372	4.439
Newcastle upon Tyne	2.582	9.114
North Tyneside	1.215	*2.874
South Tyneside	1.012	2.821
Sunderland	1.087	3.771
Isles of Scilly	0.008	0.119
Bath and North East Somerset	1.713	*3.141
Bristol City	3.362	6.767
North Somerset	1.266	3.031
South Gloucestershire	1.859	4.145
Hartlepool	0.866	1.875
Middlesbrough	1.322	3.277
Redcar and Cleveland	1.152	2.949

£ million

LEA name	Management and administration 1989–90	Strategic management (a) 1999–2000
Stockton on Tees	1.851	4.281
Hull City	1.537	3.948
East Riding of Yorkshire	2.436	*4.290
North East Lincolnshire	1.273	2.865
North Lincolnshire	1.448	3.350
North Yorkshire	2.824	*6.384
York	1.119	1.957
Bedfordshire	2.980	*3.468
Luton	1.453	*3.444
Buckinghamshire	2.630	*6.249
Milton Keynes	2.011	*3.464
Derbyshire	2.713	*8.883
Derby City	1.058	*3.267
Dorset	2.811	*5.584
Poole	0.944	*1.725
Bournemouth	1.098	*2.423
Durham	2.773	7.070
Darlington	0.788	0.981
East Sussex	2.176	8.065
Brighton and Hove	2.571	3.757
Hampshire	6.427	*13.445
Portsmouth	1.307	*3.006
Southampton	1.503	*3.663
Leicestershire	3.755	*8.311
Leicester City	1.833	*5.068
Rutland	0.194	*0.375
Staffordshire	3.084	*10.131
Stoke-on-Trent	2.495	*3.617
Wiltshire	2.047	*5.732
Swindon	0.903	*2.268
Bracknell Forest	1.036	2.384
Windsor and Maidenhead	1.023	*2.249
West Berkshire	0.958	*3.034
Reading	0.885	*2.251
Slough	0.607	*1.484
Wokingham	1.465	*3.632
Cambridgeshire	2.370	*6.946
Peterborough City	0.909	*2.801
Cheshire	2.508	*8.714
Halton	0.689	*3.791
Warrington	0.983	2.966
Devon	2.706	*8.375
Plymouth City	2.523	*3.828
Torbay	1.099	*2.811
Essex	3.674	*17.648
Southend-on-Sea	0.486	*1.662
Thurrock	0.740	*2.657
Herefordshire	1.088	2.558
Worcestershire	2.692	*7.175
Kent	7.771	*24.551
Medway Towns	1.876	*4.485
Lancashire	4.852	*13.013
Blackburn with Darwen	1.880	*2.814
Blackpool	0.494	1.669
Nottinghamshire	0.527	*9.140
Nottingham City	1.608	*2.481
Shropshire	1.286	*4.071
Telford and Wrekin	0.771	*2.712
Cornwall	2.278	*5.464
Cumbria	1.282	*5.162
Gloucestershire	1.915	*5.783
Hertfordshire	1.401	*11.978
Isle of Wight	0.624	3.168
Lincolnshire	2.125	*6.273
Norfolk	2.566	*9.102
Northamptonshire	2.900	*7.697
Northumberland	2.045	*4.430
Oxfordshire	2.051	*3.013
Somerset	0.935	*3.450
Suffolk	2.535	8.384
Surrey	4.312	*9.980
Warwickshire	1.912	*5.691
West Sussex	3.112	*9.706
England	274.155	734.042

* LEAs with grant-maintained schools

LEAs (Schools Budgets)

Mr. Laurence Robertson: To ask the Secretary of State for Education and Employment if he will rank each local education authority according to the value of the schools components of its Standard Spending Assessment for 1999–2000 as a percentage of the value of those components for 1998–99; and if he will show those percentages and values distinguishing the authorities with grant maintained schools in 1998–99. [89738]

Ms Estelle Morris: The following table shows, for each local education authority, the value of the Schools Standard Spending Assessments (SSA) for 1999–2000 and 1998–99, and the former expressed as a percentage of the latter, ranked by this percentage. Schools SSA has been interpreted as an authority's total SSA excluding the "Other" block. Local education authorities with grant maintained schools in 1998–99 are indicated by an asterisk.

	A Schools SSA 1999–2000 £ million	B Schools SSA 1998–99 £ million	Percentage A/B
Swindon	71.394	*65.630	108.8
Kensington and Chelsea	36.522	*33.726	108.3
Redbridge	114.800	*106.051	108.2
Trafford	88.508	*81.915	108.0
Haringey	105.577	*97.865	107.9
Torbay	48.404	*44.914	107.8
Westminster	61.744	57.347	107.7
Lambeth	104.611	*97.205	107.6
Dorset	131.751	*122.506	107.5
Newham	151.616	*141.033	107.5
Herefordshire	59.594	55.448	107.5
Blackpool	50.928	47.402	107.4
Southwark	118.447	*110.258	107.4
Waltham Forest	106.917	*99.612	107.3
South Gloucestershire	91.649	85.388	107.3
Devon	237.013	*221.027	107.2
Thurrock	58.773	*54.817	107.2
Poole	48.590	*45.340	107.2
Wiltshire	115.218	*145.063	107.0
Barking and Dagenham	81.858	76.540	106.9
Solihull	85.868	*80.313	106.9
Brighton and Hove	78.939	73.861	106.9
Somerset	171.012	*160.076	106.8
North Yorkshire	214.690	*201.036	106.8
Bournemouth	53.715	*50.316	106.8
Norfolk	278.525	*260.907	106.8
Lincolnshire	244.589	*229.168	106.7
East Riding of Yorkshire	118.455	*111.062	106.7
Hammersmith and Fulham	59.335	*55.647	106.6
Bromley	122.179	*114.604	106.6
Southampton	84.088	*78.908	106.6
Leicestershire	222.692	*209.019	106.5
Cambridgeshire	185.360	*173.981	106.5
Surrey	347.795	*326.472	106.5
Gloucestershire	209.368	*196.545	106.5
Croydon	135.162	*126.887	106.5
East Sussex	169.055	158.738	106.5
Sutton	76.637	*71.967	106.5
Sheffield	187.774	*176.357	106.5
Warrington	76.599	71.958	106.4
Cornwall	184.804	*173.627	106.4
Southend	66.566	*62.549	106.4
The Wrekin	64.419	*60.535	106.4
Portsmouth	69.820	*65.612	106.4
Enfield	134.984	*126.870	106.4
West Sussex	261.745	*246.109	106.4
Reading	46.010	*43.274	106.3
Lewisham	121.996	*114.743	106.3
Northamptonshire	251.230	*236.313	106.3
York	58.422	54.954	106.3
Derbyshire	265.534	*249.778	106.3

	A Schools SSA 1999–2000 £ million	B Schools SSA 1998–99 £ million	Percentage A/B
Darlington	38.491	36.213	106.3
Tameside	93.028	*87.528	106.3
Slough	57.089	*53.714	106.3
Shropshire	98.323	*92.522	106.3
Rotherham	113.162	106.488	106.3
Newbury	59.637	*56.127	106.3
Bexley	103.186	*97.112	106.3
Ealing	123.927	*116.643	106.2
Calderdale	85.924	*80.877	106.2
Tower Hamlets	140.484	*132.302	106.2
Suffolk	243.909	229.726	106.2
Essex	509.944	*480.339	106.2
Staffordshire	315.414	*297.145	106.1
Barnet	130.946	*123.371	106.1
Derby	93.620	*88.206	106.1
Nottinghamshire	288.497	*271.821	106.1
Plymouth	104.410	*98.377	106.1
Hampshire	434.902	*409.794	106.1
Walsall	121.361	*114.368	106.1
Wandsworth	92.513	*87.207	106.1
Stockton-on-Tees	79.882	75.302	106.1
Worcestershire	193.086	*182.023	106.1
Bury	69.526	*65.576	106.0
City of Bristol	128.538	121.260	106.0
Nottingham City	111.505	*105.221	106.0
Lancashire	455.316	*429.663	106.0
Dudley	117.159	*110.561	106.0
Richmond upon Thames	50.301	47.478	105.9
Kent	538.741	*508.568	105.9
Warwickshire	182.725	*172.526	105.9
Rochdale	94.018	*88.775	105.9
Buckinghamshire	188.986	*178.479	105.9
Bath and North East Somerset	60.526	*57.188	105.8
North Somerset	66.255	62.619	105.8
Hillingdon	104.296	*98.573	105.8
Stockport	101.452	95.890	105.8
Wolverhampton	108.116	*102.190	105.8
Hackney	98.449	*93.053	105.8
Hertfordshire	435.257	*411.418	105.8
Hartlepool	41.380	39.139	105.7
Cheshire	257.244	*243.373	105.7
Bolton	114.221	*108.100	105.7
Leeds	282.890	*267.770	105.6
Kirklees	159.304	*150.825	105.6
Wakefield	125.526	118.848	105.6
Merton	63.641	*60.267	105.6
Cumbria	190.629	*180.529	105.6
Barnsley	84.769	80.286	105.6
Luton	84.918	*80.433	105.6
Hounslow	103.456	*97.997	105.6
Wigan	122.006	115.594	105.5
Rocheser and Gillingham	115.093	*109.048	105.5
Sefton	118.649	112.426	105.5
Camden	82.403	*78.119	105.5
Salford	91.810	*87.038	105.5
Kingston upon Thames	51.451	*48.784	105.5
North Lincolnshire	63.333	60.056	105.5
South Tyneside	66.683	63.237	105.4
Wokingham	57.211	*54.263	105.4
Brent	117.837	*111.776	105.4
Bracknell Forest	40.406	38.349	105.4
Oldham	105.634	100.267	105.4
Manchester	199.028	*188.920	105.4
Greenwich	121.599	*115.435	105.3
Isle of Wight Council	51.708	49.090	105.3
Northumberland	126.090	*119.705	105.3
Knowsley	82.478	*78.305	105.3
Islington	87.151	82.756	105.3
Sandwell	131.856	*125.232	105.3
Birmingham	489.002	*464.835	105.2
City of Kingston upon Hull	110.726	105.260	105.2
Middlesbrough	66.093	62.831	105.2
Durham	197.484	187.738	105.2
Newcastle upon Tyne	106.356	101.118	105.2
Oxfordshire	210.862	*200.487	105.2
Wirral	144.316	*137.280	105.1
Windsor and Maidenhead	49.727	*47.316	105.1
Milton Keynes	90.186	*85.837	105.1
Coventry	131.560	125.246	105.0
Havering	96.233	*91.641	105.0
Bedfordshire	157.120	*149.634	105.0
Doncaster	132.481	*126.185	105.0
Gateshead	75.712	72.121	105.0
North Tyneside	75.332	*71.812	104.9
Sunderland	125.016	119.218	104.9
Redcar and Cleveland	64.427	61.440	104.9
Harrow	78.116	*74.513	104.8
Halton	57.671	*55.062	104.7
North East Lincolnshire	71.056	67.861	104.7
Leicester	129.892	*124.054	104.7
Bradford	226.718	*216.979	104.5
Liverpool	229.767	*219.973	104.5
St. Helens	74.297	71.160	104.4
Stoke on Trent	96.247	92.200	104.4
Blackburn	68.623	*65.780	104.3
Rutland	11.333	*10.898	104.0
Peterborough	76.769	*74.177	103.5
City of London	0.703	0.683	103.0
Isles of Scilly	1.184	1.177	100.6

Mr. Laurence Robertson: To ask the Secretary of State for Education and Employment if he will rank each local education authority according to the value of the individual schools budget as a percentage of the value of the local schools budget; and if he will show those percentages and values distinguishing the authorities with grant maintained schools in 1998–99. [89739]

Ms Estelle Morris: The following table shows for local education authorities in England, ranked from the highest to the lowest, the Individual Schools Budget for 1999–2000 as a percentage of the Local Schools Budget. Those local education authorities with grant maintained schools in 1998–99 are indicated by an asterisk.

LEA name	ISB 1999–2000 £ million	LSB 1999–2000 £ million	ISB as percentage of LSB
Southend-on-Sea	57.732	66.015	*87.5
Northamptonshire	213.487	247.729	*86.2
Hillingdon	89.225	103.622	*86.1
Havering	81.688	94.944	*86.0
Portsmouth	60.352	70.406	*85.7
Barnet	115.046	135.336	*85.0
Brent	95.060	112.343	*84.6
Slough	42.493	50.297	*84.5
Hampshire	363.305	430.498	*84.4
Solihull	72.305	85.866	*84.2
Suffolk	207.075	245.930	84.2
Staffordshire	256.602	305.397	*84.0
Nottinghamshire	242.569	288.696	*84.0
Leeds	236.632	281.633	*84.0
Walsall	97.639	116.282	*84.0
Birmingham	415.080	495.981	*83.7
West Berkshire	49.350	59.105	*83.5
Warrington	63.990	76.651	83.5
Somerset	142.293	170.571	*83.4
Norfolk	231.185	278.245	*83.1
Dudley	101.629	122.370	*83.1
Sunderland	98.485	118.690	83.0
Cheshire	219.381	264.400	*83.0
Redbridge	90.777	109.434	*83.0
Hounslow	83.880	101.123	*82.9
Wigan	105.141	126.794	*82.9

LEA name	ISB 1999–2000 £ million	LSB 1999–2000 £ million	ISB as percentage of LSB
Hertfordshire	350.786	423.152	*82.9
Poole	40.069	48.340	*82.9
Southampton	67.847	81.916	*82.8
West Sussex	216.381	261.283	*82.8
North Yorkshire	179.496	216.901	*82.8
Swindon	56.479	68.254	*82.7
Kingston upon Thames	43.316	52.391	*82.7
Bedfordshire	129.678	156.891	*82.7
Waltham Forest	86.873	105.138	*82.6
Leicestershire	184.441	223.688	*82.5
Sutton	61.955	75.170	*82.4
Lewisham	92.475	112.208	*82.4
Oxfordshire	165.601	201.093	*82.4
Rutland	10.278	12.482	*82.3
Essex	417.561	507.500	*82.3
Derbyshire	215.216	261.848	*82.2
York	49.663	60.436	82.2
Cumbria	157.633	191.879	*82.2
East Riding of Yorkshire	99.003	120.611	*82.1
Lambeth	77.169	94.015	*82.1
Wokingham	48.208	57.809	*82.0
Bath & North East Somerset	53.875	65.760	*81.9
Gloucestershire	166.583	203.403	*81.9
Lincolnshire	196.988	240.541	*81.9
Bromley	96.139	117.765	*81.6
Plymouth City	84.481	103.508	*81.6
Bournemouth	43.255	53.006	*81.6
Thurrock	46.212	56.744	*81.4
Windsor & Maidenhead	39.231	48.179	*81.4
Medway Towns	91.713	112.773	*81.3
South Gloucestershire	78.060	96.135	81.2
Telford and Wrekin	51.793	63.812	*81.2
Nottingham City	88.378	108.958	*81.1
Oldham	85.477	105.401	81.1
Richmond upon Thames	42.020	51.827	81.1
Rotherham	88.438	109.085	81.1
Calderdale	68.122	84.047	*81.1
Stoke-on-Trent	75.590	93.347	*81.0
Surrey	276.423	341.364	*81.0
Redcar and Cleveland	49.916	61.669	80.9
Worcestershire	153.581	189.780	*80.9
Milton Keynes	68.376	84.495	*80.9
Croydon	106.012	131.066	*80.9
Trafford	72.001	89.049	*80.9
Halton	45.200	55.952	*80.8
Hartlepool	31.889	39.515	80.7
Tameside	72.651	90.052	*80.7
Wiltshire	124.224	153.989	*80.7
Bexley	78.400	97.202	*80.7
Coventry	107.939	133.865	80.6
Stockton on Tees	65.255	80.945	80.6
Bristol City	112.797	139.962	80.6
Warwickshire	149.502	185.777	*80.5
Doncaster	104.981	130.662	*80.3
Kent	429.172	534.287	*80.3
Stockport	81.645	101.833	80.2
Barking & Dagenham	64.739	80.752	80.2
Darlington	29.270	36.529	80.1
North East Lincolnshire	57.108	71.369	80.0
Wolverhampton	85.984	107.504	*80.0
Sheffield	144.125	180.221	*80.0
Kirklees	124.300	155.542	*79.9
Enfield	106.512	133.386	*79.9
Wandsworth	74.366	93.170	*79.8
Liverpool	171.983	215.671	*79.7
Shropshire	77.418	97.084	*79.7
Sefton	96.880	121.503	79.7
North Somerset	54.604	68.496	79.7
Wirral	112.100	140.651	*79.7
Bolton	90.427	113.754	*79.5
Reading	34.780	43.761	*79.5
St. Helens	58.446	73.588	79.4
East Sussex	134.245	169.036	79.4
Harrow	64.174	80.808	*79.4
Bury	55.273	69.607	*79.4
Bracknell Forest	31.107	39.183	79.4
Brighton & Hove	61.738	77.788	79.4
Northumberland	100.049	126.392	*79.2
Durham	154.961	195.831	79.1
City of Kingston upon Hull	83.741	105.869	79.1
Rochdale	68.797	87.043	*79.0
Islington	61.693	78.074	79.0
Luton	63.909	80.890	*79.0
Blackpool	38.421	48.641	79.0
South Tyneside	50.036	63.362	79.0
North Tyneside	60.651	77.116	*78.6
Hammersmith & Fulham	45.732	58.196	*78.6
Dorset	103.340	131.553	*78.6
Devon	182.248	232.083	*78.5
Ealing	93.875	119.573	*78.5
Merton	50.732	64.758	*78.3
Buckinghamshire	141.691	181.138	*78.2
Derby City	70.233	89.894	*78.1
Lancashire	354.402	453.670	*78.1
Knowsley	60.562	77.614	*78.0
North Lincolnshire	49.460	63.476	77.9
Sandwell	103.388	132.690	*77.9
Cornwall	135.115	173.723	*77.8
Leicester City	97.215	125.016	*77.8
Torbay	37.585	48.384	*77.7
Bradford	163.495	210.656	*77.6
Herefordshire	44.938	57.929	77.6
Peterborough City	58.601	76.044	*77.1
Greenwich	91.204	118.529	*76.9
Wakefield	94.812	123.359	76.9
Camden	63.001	82.089	*76.7
Gateshead	58.796	76.713	76.6
Middlesbrough	48.644	63.482	76.6
Isle of Wight	39.147	51.534	76.0
Barnsley	60.699	80.046	75.8
Salford	71.119	93.993	*75.7
Blackburn with Darwen	50.547	67.094	*75.3
Tower Hamlets	99.000	131.444	*75.3
Isles of Scilly	0.867	1.152	75.3
Newcastle upon Tyne	80.323	106.999	75.1
Newham	98.939	132.656	*74.6
Cambridgeshire	137.630	185.096	*74.4
Kensington and Chelsea	30.942	41.825	*74.0
Southwark	85.803	116.234	*73.8
Hackney	65.391	88.808	*73.6
Manchester	145.009	197.538	*73.4
Haringey	77.200	105.572	*73.1
Westminster	46.454	64.804	71.7
City of London	0.652	1.497	43.6
England	15,759.478	19,507.598	80.8

* LEAs with grant-maintained schools

Mr. Laurence Robertson: To ask the Secretary of State for Education and Employment if he will make a statement on the differences between spending shown in local education authorities' section 52 statements and that shown in their section 122 statement for 1998–99 which are attributable to the existence of grant maintained schools. [89745]

Ms Estelle Morris: Estimated expenditure on schools which were grant maintained in the financial year 1998–99 was not required to be included in budget statements prepared by local education authorities under section 122 of the Education Act 1996 since these schools were funded direct by the Funding Agency for Schools. Budget statements prepared under section 52 of the School Standards and Framework Act 1998 cover estimated expenditure for the financial year 1999–2000. Whilst grant-maintained status remains until the end of August, local education authorities have been responsible for passing on funding to these schools since 1 April and

section 52 statements include the full year's funding, together with any transitional protection to which individual schools may be entitled.

Mr. Laurence Robertson: To ask the Secretary of State for Education and Employment if he will rank each local education authority according to the value of its individual schools budget for 1999–2000 as a percentage of the value of its Aggregate Schools Budget for 1998–99; and if he will show those percentages and values distinguishing the authorities with grant maintained schools. [89737]

Ms Estelle Morris: The following table shows for local education authorities in England, ranked from the highest to the lowest, the Individual Schools Budget for 1999–2000 as a percentage of the Aggregated Schools Budget for 1998–99. Those local education authorities with grant maintained schools are indicated by an asterisk.

LEA name	*ISB 1999–2000 £ million*	*ASB 1998–99 £ million*	*ISB as percentage of ASB*
City of London	0.652	0.658	99.1
Isles of Scilly	0.867	0.872	99.4
Richmond upon Thames	42.020	41.034	102.4
St. Helens	58.446	56.602	103.3
Newcastle upon Tyne	80.323	76.977	104.3
North Somerset	54.604	52.321	104.4
Islington	61.693	58.960	104.6
Manchester	145.009	138.513	*104.7
Hackney	65.391	62.450	*104.7
Salford	71.119	67.742	*105.0
Redcar and Cleveland	49.916	47.386	105.3
Sunderland	98.485	93.463	105.4
Isle of Wight	39.147	37.132	105.4
North Tyneside	60.651	57.482	*105.5
Westminster	46.454	43.932	105.7
Gateshead	58.796	55.591	105.8
Oldham	85.477	80.807	105.8
Coventry	107.939	101.954	105.9
Barnsley	60.699	57.268	106.0
Leicester City	97.215	91.714	*106.0
Bracknell Forest	31.107	29.329	106.1
Stockport	81.645	76.948	106.1
Greenwich	91.204	85.900	*106.2
South Gloucestershire	78.060	73.497	106.2
Solihull	72.305	68.075	*106.2
North East Lincolnshire	57.108	53.745	106.3
North Lincolnshire	49.460	46.511	106.3
City of Kingston upon Hull	83.741	78.681	106.4
Leeds	236.632	222.290	*106.5
Brighton & Hove	61.738	57.859	106.7
Wokingham	48.208	45.171	*106.7
Middlesborough	48.644	45.532	106.8
Herefordshire	44.938	42.049	106.9
Cornwall	135.115	126.340	*106.9
Rotherham	88.438	82.652	107.0
Sefton	96.880	90.525	107.0
Wigan	105.141	98.226	107.0
Wakefield	94.812	88.468	107.2
Durham	154.961	144.424	107.3
West Sussex	216.381	201.515	*107.4
Sandwell	103.388	96.236	*107.4
Blackpool	38.421	35.741	107.5
Darlington	29.270	27.228	107.5
Knowsley	60.562	56.250	*107.7
Suffolk	207.075	192.304	107.7
Nottinghamshire	242.569	225.158	*107.7
North Yorkshire	179.496	166.577	*107.8
East Sussex	134.245	124.341	108.0
Warrington	63.990	59.039	108.4
Oxfordshire	165.601	152.760	*108.4
South Tyneside	50.036	46.062	108.6
Bristol City	112.797	103.745	108.7
York	49.663	45.662	108.8
Northumberland	100.049	91.981	*108.8
Harrow	64.174	58.962	*108.8
Stockton on Tees	65.255	59.868	109.0
East Riding of Yorkshire	99.003	90.715	*109.1
Haringey	77.200	70.675	*109.2
Merton	50.732	46.347	*109.5
Hartlepool	31.889	29.124	109.5
Braking & Dagenham	64.739	58.978	109.8
Cheshire	219.381	199.603	*109.9
Shropshire	77.418	70.308	*110.1
Doncaster	104.981	95.039	*110.5
Halton	45.200	40.904	*110.5
Bury	55.273	49.869	*110.8
Newham	98.939	89.123	*111.0
Leicestershire	184.441	166.088	*111.1
Windsor & Maidenhead	39.231	35.144	*111.6
Lancashire	354.402	316.358	*112.0
Sheffield	144.125	127.823	*112.8
Lewisham	92.475	81.984	*112.8
Kirklees	124.300	110.189	*112.8
Devon	182.248	161.186	*113.1
Somerset	142.293	125.401	*113.5
Southampton	67.847	59.675	*113.7
Plymouth City	84.481	74.266	*113.8
Staffordshire	256.602	225.248	*113.9
Stoke-on-Trent	75.590	66.345	*113.9
Tower Hamlets	99.000	86.720	*114.2
Worcestershire	153.581	133.945	*114.7
Redbridge	90.777	79.079	*114.8
Wirral	112.100	97.538	*114.9
Liverpool	171.983	149.121	*115.3
Bradford	163.495	141.116	*115.9
Dorset	103.340	89.119	*116.0
Bath & North East Somerset	53.875	46.432	*116.0
Blackburn with Darwen	50.547	43.203	*117.0
Bolton	90.427	77.285	*117.0
Hounslow	83.880	71.225	*117.8
Torbay	37.585	31.903	*117.8
Wolverhampton	85.984	72.543	*118.5
Tameside	72.651	60.799	*119.5
Hammersmith & Fulham	45.732	38.022	*120.3
Warwickshire	149.502	123.878	*120.7
Rochdale	68.797	56.997	*120.7
Hampshire	363.305	299.740	*121.2
Camden	63.001	51.934	*121.3
Dudley	101.629	83.298	*122.0
Havering	81.688	66.874	*122.2
Kensington and Chelsea	30.942	25.292	*122.3
Nottingham City	88.378	72.231	*122.4
Waltham Forest	86.873	70.832	*122.6
Birmingham	415.080	338.420	*122.7
Buckinghamshire	141.691	115.424	*122.8
Bexley	78.400	63.821	*122.8
Norfolk	231.185	183.873	*125.7
Portsmouth	60.352	47.889	*126.0
Bedfordshire	129.678	102.333	*126.7
Hertfordshire	350.786	270.356	*129.7
Enfield	106.512	82.059	*129.8
Cambridgeshire	137.630	105.589	*130.3
Southwark	85.803	65.726	*130.5
Derbyshire	215.216	163.700	*131.5
Surrey	276.423	208.275	*132.7
West Berkshire	49.350	36.867	*133.9
Northamptonshire	213.487	159.466	*133.9
Luton	63.909	47.728	*133.9
Walsall	97.639	71.928	*135.7
Ealing	93.875	69.052	*135.9
Telford and Wrekin	51.793	37.955	*136.5
Cumbria	157.633	112.415	*140.2
Milton Keynes	68.376	48.527	*140.9
Swindon	56.479	40.076	*140.9
Medway Towns	91.713	64.418	*142.4
Croydon	106.012	74.029	*143.2
Derby City	70.233	48 595	*144.5
Reading	34.780	23.978	*145.0
Kingston upon Thames	43.316	29.433	*147.2
Trafford	72.001	46.763	*154.0

LEA name	ISB 1999–2000 £ million	ASB 1998–99 £ million	ISB as percentage of ASB
Bournemouth	43.255	27.842	*155.4
Peterborough City	58.601	37.525	*156.2
Lambeth	77.169	49.288	*156.6
Wandsworth	74.366	47.406	*156.9
Barnet	115.046	73.241	*157.1
Sutton	61.955	39.235	*157.9
Kent	429.172	270.191	*158.8
Lincolnshire	196.988	122.265	*161.1
Thurrock	46.212	28.654	*161.3
Wiltshire	124.224	74.784	*166.1
Poole	40.069	23.989	*167.0
Calderdale	68.122	39.423	*172.8
Slough	42.493	23.720	*179.1
Gloucestershire	166.583	92.539	*180.0
Brent	95.060	48.976	*194.1
Essex	417.561	212.747	*196.3
Hillingdon	89.225	41.565	*214.7
Southend-on-Sea	57.732	26.296	*219.5
Bromley	96.139	41.116	*233.8
Rutland	10.278	4.010	*256.3
England	15,759.478	12,965.534	121.5

* LEAs with grant-maintained schools

Mr. Laurence Robertson: To ask the Secretary of State for Education and Employment if he will list the local education authorities which failed to meet the statutory deadlines *(a)* for notifying their fair-funding budget shares to schools and *(b)* for supplying to him details of their fair-funding schemes for 1999–2000, stating in each case the date by which the information was supplied. [89700]

Ms Estelle Morris: Information on the notification of budget shares to schools is not collected centrally. All authorities' schemes for the financing of schools made under section 48 of the School Standards and Framework Act 1998 were approved by 31 March 1999.

Learning Difficulties (Spending)

Mr. Laurence Robertson: To ask the Secretary of State for Education and Employment what was the amount of special needs provision *(a)* nationally and *(b)* in Gloucestershire in terms of children with (i) moderate learning difficulties, (ii) severe learning difficulties and (iii) emotional and behavioural difficulties, in the most recent year for which figures are available. [89744]

Mr. Charles Clarke: The latest available data drawn from Annual Schools' Census returns relates to January 1998. The number of children with a statement of special educational needs nationally is 242,294 and in Gloucestershire 2,539. Information is not collected centrally by type of special need.

Disability Discrimination Act 1995

Mr. Jim Cunningham: To ask the Secretary of State for Education and Employment what measures he is taking to ensure that all public buildings and facilities comply with the standards set out in the Disability Discrimination Act 1995. [89209]

Ms Hodge: The Disability Discrimination Act 1995 does not set specific standards for buildings or facilities. Rather, it requires employers and service providers to make reasonable adjustments for disabled people.

The new duties on those who provide goods, facilities and services to the public to make reasonable adjustments for disabled people are coming into force on 1 October, although service providers will not be required to make physical adjustments to their premises until 2004. The October phase of implementation is being supported by a revised Code of Practice which was issued on 29 June. The Code gives guidance to service providers about their responsibilities under the Act and how to adopt good practice. A similar Code of Practice in respect of employers' duties under the Act was issued in 1996. In addition, other information for service providers and employers can be obtained from the DDA Helpline and more will become available as 1 October approaches.

Whether a service provider or employer has fulfilled their duties under the DDA can only be determined when an individual pursues a claim through an Employment Tribunal or the Courts. However, we are currently taking legislation through Parliament to establish the Disability Rights Commission which will support disabled people in securing their rights under the Act and seek to ensure that employers and service providers who discriminate change their practices and procedures. The Commission will also work to promote good practice among service providers and employers, and be a central source of information and advice about the DDA.

A campaign to raise awareness about the DDA, and disability in general, with employers and service providers, as well as the general public is currently underway. From 1 July, national newspaper advertisements have been alerting service providers to the new rights in respect of access to goods, facilities and services. Further newspaper and radio advertisements are planned for the autumn. The campaign will also be working with intermediaries such as the CBI, British Chambers of Commerce and the Local Government Association to ensure that all service providers, in both the public and private sector, are aware of the new rights and duties.

Market Research

Mr. Don Foster: To ask the Secretary of State for Education and Employment if he will list the title and purpose of each item of market and opinion research commissioned by or through his Department, agencies and non-departmental public bodies since May 1997, stating in each case whether the results were published. [89699]

Mr. Mudie: Assembling this information will take a few days. I will write to the hon. Member as soon as possible.

New Deal (Lone Parents)

Mr. Willetts: To ask the Secretary of State for Education and Employment in respect of the New Deal for Lone Parents, how many *(a)* participants have been invited to interview, *(b)* interviews have been booked, *(c)* interviews have been attended by participants and *(d)* jobs have been attained. [89706]

Ms Hodge: From April this year, the Government Statistical Service will be reporting independently on New Deal for Lone Parent (NDLP) results, and reports will be published on the first Thursday of every month.

The first report was published on 1 July, and for the period since the full national roll-out of the New Deal for Lone Parents' programme, i.e. from 26 October 1998 to 30 April 1999, the figures requested are:

377,840 lone parents were sent an initial invitation letter.

66,832 initial interviews were booked.

57,500 lone parents attended an initial interview.

11,200 lone parents obtained employment: these jobs are in addition to the 5,400 already helped into work during the earlier phases of the programme.

Copies of the full report are available in the Library.

WALES

Ancient Monuments (Disabled Access)

Mr. Edwards: To ask the Secretary of State for Wales (1) what assessment he has made of the arrangement for disabled access to Skenfrith Castle in Monmouthshire; [89447]

(2) what statutory responsibilities CADW has to ensure that ancient monuments in Wales are accessible to people with disabilities who need wheelchairs. [89446]

Mr. Michael: These are matters for the National Assembly for Wales.

AGRICULTURE, FISHERIES AND FOOD

Wal-Mart/Asda Merger

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food if he will assess the effect on farm gate prices of purchasing policies following the proposed merger between Wal-Mart and Asda. [89258]

Mr. Nick Brown: The purchasing policies of individual supermarkets are primarily a matter for the businesses concerned. The Competition Commission is conducting a 12 month investigation of grocery retailing and will examine, as part of that review, the nature of the relationships between the multiples and their suppliers including agricultural producers.

Parliamentary Questions

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food when he intends to answer parliamentary question 81263, a holding answer for which was given on 19 April. [89743]

Mr. Rooker: I replied to the hon. Member on 20 April.

Genetic Modification

Sir Teddy Taylor: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement outlining the extent to which the UK is permitted to impose restrictions on the growing of GM foods without the permission of the European Union. [88945]

Mr. Meacher *[holding answer 29 June 1999]:* I have been asked to reply.

The release into the environment and the marketing of genetically modified organisms (GMOs) are regulated by Council Directive 90/220/EEC. All such releases are carried out following a scientific assessment of risk carried out case-by-case on the basis of an environmental risk assessment. All authorisations for the experimental release of GMOs are issued by the UK authorities on the basis of this Directive. The UK authorities may impose specific conditions on any release, and may suspend a release where there is evidence of harm to human health or the environment.

Consents to market GMO products (Part C consents under the Directive) are issued at Community level in order to secure the single market for these products. Notifications on the basis of the Directive are submitted through the competent authority of one member state and all other competent authorities may then comment upon the application. If there are differences between member states, the matter is resolved by qualified majority voting.

Restrictions may always be imposed to take account of specific environmental conditions in member states, and the safeguard clause allows member states to suspend any release immediately if evidence emerges of harm to human health or the environment. This is subject to confirmation within three months at Community level.

TREASURY

Working Families Tax Credit

Mr. Maude: To ask the Chancellor of the Exchequer what estimate he has made of the number of families earning more than *(a)* £20,000, *(b)* £25,000 and *(c)* £30,000 a year who will be eligible for the working families tax credit. [88906]

Dawn Primarolo: It is estimated that in 2000–01, the first full year of the Working Families Tax Credit, about 1.4 million families will be in receipt of the credit. About 100,000 families will have earnings over £20,000. The numbers of families in receipt of the credit with earnings over £25,000 and over £30,000 are so small that reliable estimates are not available.

Scottish Widows

Mr. Loughton: To ask the Chancellor of the Exchequer how many life insurance ISAs are accounted for by policies with Scottish Widows. [89353]

Ms Hewitt *[holding answer 2 July 1999]:* None. We understand that Scottish Widows does not offer policies suitable for inclusion in life insurance ISAs.

Financial Services Authority

Mr. Loughton: To ask the Chancellor of the Exchequer what are the terms of the contract of the head of the FSA. [R] [89329]

Ms Hewitt *[holding answer 1 July 1999]:* The head of the FSA was appointed in 1997 for a five year fixed term, which expires on 31 July 2002. His salary and other benefits are set out in the Notes to the Accounts of the FSA's Annual Report.

Inland Revenue 35

Mr. Loughton: To ask the Chancellor of the Exchequer what assessment has been made in the Government's Impact Assessment of the effects of the implementation of the IR35 proposals on small business failures. [89316]

Dawn Primarolo *[holding answer 1 July 1999]:* The National Insurance compliance implications for small businesses are set out in the Regulatory Impact Assessment of the Welfare Reform and Pensions Bill. The Government are continuing to consult with business representatives on the actual detail of the proposals. Those being consulted include small businesses and their representatives.

Tax-free Savings

Mr. Loughton: To ask the Chancellor of the Exchequer if he will assess the benefits of (1) streamlining tax-free savings schemes by merging PEPs and ISAs; [R] [89324]

(2) if he will assess the benefits of merging single company PEPs and general PEPs. [R] [89323]

Ms Hewitt *[holding answer 1 July 1999]:* In the light of responses to the initial public consultation on the shape of the ISA scheme, we concluded that existing PEPs at 5 April 1999 should continue, separately from ISAs, under the existing PEP rules. This decision reflects the wishes of a majority of respondents to the consultation and has been approved by Parliament.

However, as my predecessor, my right hon. Friend the Member for Airdrie and Shotts (Mrs. Liddell) made clear to the hon. Member during the Committee stage of last year's Finance Bill, 4 June 1998, *Official Report, Standing Committee E*, column 524, we will be keeping the position under review.

Mr. Loughton: To ask the Chancellor of the Exchequer (1) how many investors have taken out life insurance ISAs; [R] [89325]

(2) how many people have taken out *(a)* maxi and *(b)* mini ISAs and how many took out general and single company PEPs at the same stage in the financial year last year; [R] [89322]

(3) what is the amount of money invested in cash ISAs to date as a proportion of overall investment in ISAs; [R] [89703]

(4) what is the amount of money invested in life insurance ISAs to date as a proportion of overall investment in ISAs. [R] [89704]

Ms Hewitt: *[holding answer 1 July 1999]:* Over £4 billion were contributed to ISAs in the first two months after their introduction. This is twice the comparable figures for PEPs and TESSAs in the same period last year.

Bank of England figures show over £3 billion saved in ISA cash accounts operated by banks and building societies and AUTIF figures show over £1 billion saved in ISAs investing in authorised unit trusts and OEICs in April and May. The available figures do not include ISA investment in other areas such as individual shares, or life insurance ISAs, so the full total will be higher.

ISA managers are required to make a quarterly statistical return, which will identify subscriptions made to mini and maxi ISAs, and to individual components, on a quarterly basis. The first return is due to be received in August. The Inland Revenue will be publishing ISA statistics on a quarterly basis, starting later this year.

Reliable comparisons with PEP take-up in earlier years cannot be made on a quarterly basis as statistical returns from PEP managers identify subscriptions only on an annual basis.

Health and Education Spending

Mr. Field: To ask the Chancellor of the Exchequer of the extra £40 billion allocated to health and education spending over the next three years in the 1999 Budget and the Comprehensive Spending Review, how much has been allocated to specific programmes; and if he will give a breakdown of how the allocated funds will be spent. [89528]

Mr. Milburn: The allocation of health and education spending to specific programmes is set out in the following Departmental Reports listing the Government's Expenditure Plans for 1999–2000 to 2001–02: the Department for Education and Employment and Office for Standards in Educations (Cm 4202); the Department of Health (Cm 4203); the Scottish Office (Cm 4215); the Welsh Office (Cm 4216) and Northern Ireland (Cm 4217).

Disabled Person's Tax Credit

Mr. Rendel: To ask the Chancellor of the Exchequer what the annual cost of the disabled person's tax credit is estimated to be in 2010. [89874]

Dawn Primarolo: I regret that it is not possible to provide a reliable estimate of the cost of the Disabled Person's Tax Credit in 2010.

Correspondence

Mr. Kaufman: To ask the Chancellor of the Exchequer when he intends to reply to the letters to him dated 5 March, 15 April and 27 May with regard to Mrs. M. Wilson from the right hon. Member for Manchester, Gorton. [89958]

Ms Hewitt: The Chancellor has written to my right hon. Friend.

Death Totals

Mr. Peter Bottomley: To ask the Chancellor of the Exchequer what assessment he has made of the statistical significance of the fluctuations in death totals in the past three years measured over the previous 52 weeks published in ONS (99) 224. [89648]

Ms Hewitt: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Mr. Peter Bottomley, dated 5 July 1999:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your recent parliamentary question asking what assessment has been made of the statistical significance of the fluctuations in death registration totals in the past three years measured over the previous 52 weeks published in News Release ONS (99) 224.

Fluctuations in annual death totals are primarily related to mortality in the winter months. Deaths from all causes increase during the winter but the magnitude of this increase varies considerably from year to year, depending on, for example, temperature and the incidence of influenza.

There was a sharp peak in mortality in the 1996/7 winter. This was described and statistically analysed in the ONS publication, *Population Trends No. 90, Winter 1997—Mortality during the 1996/7 Winter*, a copy of which is available in the House of Commons library.

In the first part of January 1999 there was a higher than expected winter influenza activity. Such activity is known to lead to an increase in respiratory disease deaths generally, not just influenza deaths. This is reflected in the date presented in News Release ONS (99) 224.

The increase in winter mortality for 1997/8 was less pronounced than for the winters before and after.

LORD CHANCELLOR'S DEPARTMENT

Statutory Instruments

Dr. Fox: To ask the Parliamentary Secretary, Lord Chancellor's Department what percentage of statutory instruments introduced by his Department into Parliament in *(a)* 1998, *(b)* 1992, *(c)* 1985 and *(d)* 1973 had the European Union as their legislative source. [89173]

Mr. Vaz: Of statutory instruments (SIs) introduced by my Department in 1998, 1992, 1985 and 1973, one in 1985 included amendments to rules of court resulting from legislation implementing the Brussels Convention. Otherwise, no SIs were made by my Department in the specified years to comply with European Community obligations.

Justices of the Peace

Mr. Cox: To ask the Parliamentary Secretary, Lord Chancellor's Department how many women from ethnic communities are justices of the peace serving in courts in the Greater London area; what were the figures in *(a)* 1990 and *(b)* 1995; and if he will make a statement. [89176]

Mr. Hoon: I cannot give my hon. Friend the information he seeks for 1990 and 1995 because this information was not collected. In July 1998, my noble and learned Friend the Lord Chancellor issued revised Directions to Advisory Committees requiring, among other things, that they keep information about the gender and ethnicity of magistrates. The first full set of figures will be available in January 2000. The latest figures available (which draw partly on a survey in May 1997) show that there are 199 women from the ethnic minorities serving as justices of the peace in Greater London.

"Who Decides?"

Dr. Iddon: To ask the Parliamentary Secretary, Lord Chancellor's Department when he proposes to publish the results of his consultation on the Green Paper "Who Decides?", published on 10 September 1997. [89179]

Mr. Vaz: The Government published the consultation paper "Who Decides?" in December 1997 about the recommendations of the Law Commission on decision-making for mentally incapacitated adults. We wish to give very careful consideration to all the issues involved before deciding the way forward. No decisions have yet been taken on whether there should be legislation and, if so, when it should be introduced.

Market Research

Mr. Don Foster: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list the title and purpose of each item of market and opinion research commissioned by or through his Department, agencies and non-departmental public bodies since May 1997, stating in each case whether the results were published. [89695]

Mr. Vaz: The information is shown in the table.

Market and opinion research commissioned by Lord Chancellor's Departments, agencies and NDPBs since May 1997

Title	*Purpose*	*Commissioned by*	*Publication*
Applying to becor magistrate: Expanding the socio-demographic base of applicants, COI	To inform the development of a communications strategy that would attract a broader base of applicants to the magistracy from all sections of the community.	Lord Chancellor's Department	Not published
Provision of Information Meetings: market research findings, KPMG	To assess potential interest in the private sector in the provision of information meetings under Part II of the Family Law Act 1996.	Lord Chancellor's Department	Not published
Monitoring the rise in the small claims limit: litigants' experiences of different forms of adjudication, Professor John Baldwin	To support research into the effect of the rise in the small claims limit.	Lord Chancellor's Department	Published
Investors in People	To obtain staff views on matters relating to IiP in order to determine whether the Department met the standards required for IiP accreditation.	Lord Chancellor's Department	The results were made available to staff.
Staff Attitude Survey	To obtain staff views on aspects of their employment in order to ascertain where improvements to systems, procedures and practices are required.	Lord Chancellor's Department	Survey in progress. The results will be made available to staff.
The Court Service Investors in People Project—Staff opinion survey 1998, British Market Research Bureau	To obtain staff views on matters relating to IiP in order to determine whether the Department met the standards required for IiP accreditation.	Court Service	The results were made available to staff.
Staff opinion survey 1999, British Market Research Bureau	To find out staff views on the areas of training and development; communication and appraisal.	Court Service	Survey in progress. The results will be made available to staff.
ONS Omnibus module: non-pecuniary loss, Office for National Statistics	Research into public perceptions of what damages for non-pecuniary loss in personal injury cases should be. The purpose was to assist in the preparation of report on *Damages for Personal Injury: Non Pecuniary loss.* ((1999) Law Comm. 257)	Law Commission	Published
Tracking Public Opinion on Legal Aid Franchising: Post Campaign Study, MORI	A number of questions were placed on the MORI omnibus poll to gauge public awareness of legal aid in general, and franchising in particular.	Legal Aid Board	Published
Survey on divorce (commissioned by Office of Law Reform)	Contribution towards a survey of public opinion on divorce law and experiences in Northern Ireland.	Northern Ireland Court Service	Not published
Annual Customer Surveys	To provide independent verification of customers' satisfaction with the delivery of services and identify areas for improvement.	HM Land Registry	Published

Written Answers to Questions

Tuesday 6 July 1999

DEFENCE

BAe Closure (Dunsfold)

Mr. Hancock: To ask the Secretary of State for Defence (1) what action is being taken to ensure continued operational support for RAF Harriers following BAe's announcement of the closure of its Dunsfold factory; [89347]

(2) what assessment he has made of the effect the closure of BAe Dunsfold will have on the ongoing operational support for Royal Navy Harriers; and if he will make a statement. [89348]

Mr. Spellar: Ministry of Defence contracts with British Aerospace for Harrier work are negotiated with, and awarded to, the British Aerospace Military Aircraft and Aerostructures Division at Warton. Work continues on existing contracts. The decision about where work is undertaken on these, or any future contracts, is ultimately a matter for the company.

Special Advisers

Mr. Don Foster: To ask the Secretary of State for Defence if he will list the subject and date of each written briefing prepared by his Special Advisers for all Labour Members since May 1997 and the total number and total cost to date of these. [89988]

Mr. George Robertson: Special Advisers are appointed under terms and conditions set out in the Model Contract for Special Advisers. Schedule 1, Part 1 of the Model Contract sets out the role and duties of Special Advisers. As well as research for Ministers and reviewing papers, contributing to policy planning within the Department and preparing policy papers, speechwriting and liaison with outside interest groups, their role explicitly includes liaising with the Party and helping to brief Party MPs. Records are not held of when such briefings are given. Similar arrangements have applied under successive Governments.

Defence Diplomacy Scholarship Scheme

Mr. Alan Keen: To ask the Secretary of State for Defence if he will make a statement on the launch of his Department's Defence Diplomacy Scholarship Scheme. [90046]

Mr. Doug Henderson: The Defence Diplomacy Mission has placed renewed emphasis on the provision of high quality defence related training and education in Britain for overseas students, for which we already have an excellent reputation.

As part of this wider initiative, I am pleased to announce the launch of the MOD's new two-tier Defence Diplomacy Scholarship Scheme. Its principal aims are to introduce selected overseas officers and officials to the principles of Defence Diplomacy, and to help them develop the skills needed to lead and run modern democratically accountable armed forces.

Cranfield University at the Royal College of Military Science will run this scheme. It will comprise a year long MSc based "Defence Diplomacy Fellowship" and a shorter seven-week "Diploma in Defence Diplomacy". Up to 12 Fellowships will be offered annually, starting from the next academic year (1999–2000). A further 30–40 places will be available annually for the shorter Diploma course.

This scheme is further evidence of the high priority that the MOD attaches to the Defence Diplomacy Mission, and is an excellent example of the MOD's contribution to the Government's initiative to attract more international students to the UK.

Chief Scientific Adviser

Lorna Fitzsimons: To ask the Secretary of State for Defence who the new Chief Scientific Adviser to his Department will be. [90251]

Mr. George Robertson: I am announcing today that Professor Sir Keith O'Nions will become the Chief Scientific Adviser to the MOD on 4 January 2000. His appointment will be for three years.

KFOR

Laura Moffatt: To ask the Secretary of State for Defence what plans he has to review the contribution to KFOR. [90303]

Mr. George Robertson: Some elements of the UK contribution to KFOR have now completed the tasks for which they were deployed. In the light of this, I have agreed to the withdrawal of the Headquarters of the 5th Airborne Brigade, Headquarters 3(UK) Division, and seven support helicopters, together with their supporting elements. HQ 5 Airborne Brigade and the helicopters will start moving immediately, to be followed by HQ 3(UK) Division from 23 July. These withdrawals will not affect the number of UK battalions in KFOR, nor their ability to perform their assigned tasks.

Defence Evaluation and Research Agency

Mr. Key: To ask the Secretary of State for Defence if he will list the cost-benefit analyses carried out in connection with his proposal for a Public Private Partnership for the Defence Evaluation and Research Agency. [89202]

Mr. Spellar *[holding answer 5 July 1999]:* The study team's primary objective was to find a long-term solution for the future of DERA which would provide MOD with the scientific services it will continue to need. These were defined by the "MOD Customer Needs Statement" as laid down in Figure 1 of the Consultation Document and were used as option evaluation criteria throughout the study, to identify both the benefits and risks of each option.

A financial model, supported by some analytical work, was used to assess each option against the financial objectives.

The three requirements shown at Paragraph 13 of the consultation document, "capability", "financial" and "wider issues", were judged to be interdependent. MOD did not assign quantitative weightings between them. Although no formal cost-benefit analysis is available, iterative judgments were made throughout the options process on the relative benefits, risks and costs of each option.

Mr. Key: To ask the Secretary of State for Defence under his Public Private Partnership proposals for DERA, if, when property is transferred to a new private sector owner, his Department retains liability for clearing contaminated land and unexploded ordnance. [89195]

Mr. Spellar *[holding answer 5 July 1999]:* No decisions have been made on the nature of a Public Private Partnership, PPP, for DERA, and it is too early to speculate on the precise form it would take. The MOD study team is supported by legal experts who provide advice on a range of legal and commercial issues, including the future treatment of liabilities. The details have not yet been addressed as they will depend on the precise nature of the PPP. During implementation, further work would be required on the negotiation of such liabilities between MOD and DERA.

Mr. Key: To ask the Secretary of State for Defence in what ways DERA's relationships with the Research Councils will be affected by his public private partnership proposals for DERA. [89197]

Mr. Spellar *[holding answer 5 July 1999]:* The MOD strives to develop and maintain close working relationships with all relevant scientific and research bodies, including the Research Councils. DERA's main relationship with the Research Councils arises through the operation of the Joint Grants Scheme, JGS, whereby the Ministry of Defence part funds research which has some direct defence relevance.

No decisions have been made on the form of a public private partnership, PPP, for DERA, and it is too early to speculate on the precise form it would take. Whatever the form, the importance of maintaining effective relationships with the Research Councils will be taken into consideration.

Mr. Key: To ask the Secretary of State for Defence under his public private partnership proposals for DERA, if DERA will lose Crown immunity. [89198]

Mr. Spellar *[holding answer 5 July 1999]:* No decisions have been made on the nature of a public private partnership, PPP, for DERA, and it is too early to speculate on the precise form it would take. The MOD study team is supported by legal experts who provide advice on a range of legal and commercial issues which may affect the PPP. This includes the subject of Crown immunity. While further analysis would be required during the implementation phase, the basic premise is that Crown immunity would cease to apply in the event that assets, facilities and employees were transferred out of the direct control of the Crown.

Mr. Key: To ask the Secretary of State for Defence under his public private partnership proposals for DERA, if liability for insurance cover against catastrophic accident will be transferred to private sector partners from his Department. [89199]

Mr. Spellar *[holding answer 5 July 1999]:* No decisions have been made on the nature of a public private partnership, PPP, for DERA, and it is too early to speculate on the precise form it would take. However, the apportionment of risk between a PPP DERA and the MOD, including the handling of liability for catastrophic accident, is an important issue. During the implementation phase, these and other legal and commercial considerations will be addressed in detail by the MOD study team and their advisers, in consultation with DERA and key stakeholders.

Mr. Key: To ask the Secretary of State for Defence under his Public Private Partnership proposals for DERA, if Boscombe Down airfield will be upgraded to civil airfield standards; and at what cost. [89200]

Mr. Spellar *[holding answer 5 July 1999]:* No decisions have been made on the nature of a Public Private Partnership, PPP, for DERA, and it is too early to speculate on the precise form it would take. In the proposal outlined in the consultation document, the aircraft test and evaluation activities at Boscombe Down would form part of the PPP, operating in the private sector, with implications for the licensing of the airfield. Further work would be required on the detailed aspects of this during implementation.

Mr. Key: To ask the Secretary of State for Defence what were the terms of risk analyses and the risk assessments carried out on his proposals for a Public Private Partnership for DERA. [89201]

Mr. Spellar *[holding answer 5 July 1999]:* The study team's primary objective was to find a long term value for money solution for the future of DERA which would provide MOD with the scientific services it will continue to need. These were defined by the "MOD Customer Needs Statement" as laid down in Figure 1 of the Consultation Document. These are being used as option evaluation criteria in the study, to identify both the benefits and risks of each option. Risks to achievement of financial objectives and compatibility with wider MOD and UK interests are also being addressed.

Mr. Key: To ask the Secretary of State for Defence what assessment he has made of the impact of his proposals for a Public Private Partnership for the Defence Evaluation and Research Agency on his smart procurement initiative; and if he will make a statement. [89203]

Mr. Spellar *[holding answer 5 July 1999]:* Throughout the DERA PPP study, the MOD study team has had frequent discussions with the Department of Trade and Industry and UK industry as well as the MOD Smart Procurement Initiative implementation team, to ensure that the DERA PPP and Smart Procurement projects complement one another.

Our consultation process, announced on 5 May 1999, *Official Report*, columns *384–85*, has included significant debate with industry over the way a DERA PPP would function in the Smart Procurement environment. We have had many constructive responses and discussions. Although it is too early to summarise the outcome of the consultation, these views will be reflected in the study team's final recommendation, along with a view on how DERA will operate with the Smart Procurement Initiative.

Mr. Fallon: To ask the Secretary of State for Defence if he is conducting a full economic appraisal of the proposals for the DERA public private partnership; and if he will place the results of his appraisal in the Library. [89027]

Mr. George Robertson *[holding answer 29 June 1999]:* During the DERA PPP options study, the MOD study team paid much attention to assessing the long term financial benefits of each option. However, in choosing between options, the evaluation process addressed not just financial issues, but also each option's ability to deliver top quality scientific and technical capability to meet future defence needs and to complement wider MOD and Government policy. There is no specific stand-alone economic appraisal suitable for the Library.

Mr. Fallon: To ask the Secretary of State for Defence if he will announce a decision on the DERA public private partnership proposals before the summer recess. [89029]

Mr. George Robertson *[holding answer 29 June 1999]:* Our formal consultation period is now drawing to a close and the study team is analysing the responses received. The consultation process has highlighted the complexity of some of the issues involved, and, on the recommendation of the study team, we have agreed that further analysis and discussions with key stakeholder groups are required. We do not expect a final recommendation from the team before the summer recess.

Mr. Key: To ask the Secretary of State for Defence if he will list the location and size of common land owned by DERA. [89196]

Mr. Spellar *[holding answer 5 July 1999]:* This is a matter for the Chief Executive of the Defence Evaluation and Research Agency. I have asked the Chief Executive to write to the hon. Member.

Letter from Sir John Chisholm to Mr. Robert Key, dated 6 July 1999:

As Chief Executive of the Defence Evaluation and Research Agency (DERA), I have been asked to reply to your question about the location and size of common land owned by DERA.

I am afraid that we do not hold this information ourselves, nor is it held centrally by Defence Estates (DE). The official Register of Common Land is kept by the County Councils or Unitary Authorities. Copy title deeds are actually held at 8 regional DE offices and the Head Office. Enquiries to the regional offices have not identified common land within the estate vested in DERA, though this preliminary search cannot be considered exhaustive.

I am sorry that I cannot be more helpful on this occasion.

Mr. Key: To ask the Secretary of State for Defence what is *(a)* the current asset value of and *(b)* the revenue stream derived in the last financial year from, the intellectual property rights of the Defence Evaluation and Research Agency. [89204]

Mr. Spellar *[holding answer 5 July 1999]:* This is a matter for the Chief Executive of the Defence Evaluation and Research Agency. I have asked the Chief Executive to write to the hon. Member.

Letter from Sir John Chisholm to Mr. Robert Key, dated 6 July 1999:

As Chief Executive of the Defence Evaluation and Research Agency (DERA), I have been asked to reply to your questions about intellectual property rights.

You asked for the current asset value of the intellectual property rights of DERA. Prediction of intellectual property is unreliable due to uncertainty over the industrial implementation of inventions and the arrival of competing technologies as well as general economic uncertainty. Because of these sources of uncertainty, the Agency has reviewed its accounting policies in the context of recent changes in the guidance on best practice and no longer allocates a capital value to its intellectual property.

Accordingly, the balance sheet for the year ending 31 March 1999 shows a zero value for intangible fixed assets (effectively intellectual property). This is, of course, an accounting convention and does not reflect the open market value of DERA's intellectual property which cannot be precisely defined except by an actual sale following a process of due diligence by prospective buyers.

Your second question asked about the revenue stream derived in the last financial year for the intellectual property rights of DERA. The financial statements for the year ending 31 March 1999 are currently being finalised but we expect to report non-Exchequer royalty income in the order of £6M.

I hope that this information is helpful.

Eurofighter

Mr. Gordon Prentice: To ask the Secretary of State for Defence how many Eurofighters are being purchased for the RAF and at what cost; and how many are being purchased by other NATO countries. [88961]

Mr. George Robertson *[holding answer 29 June 1999]:* This is a matter for the Chief Executive of the Defence Procurement Agency. I have asked the Chief Executive to write to my hon. Friend.

Letter from Robert Walmsley to Mr. Gordon Prentice, dated 6 July 1999:

I am replying to your question to the Secretary of State for Defence about the number of Eurofighters being purchased for the RAF and by other NATO countries and the cost to the UK. The matter falls within my area of responsibility as Chief Executive of the Defence Procurement Agency.

The 4 Eurofighter Partner Nations are procuring 620 aircraft: 232 for the UK; 180 for Germany; 121 for Italy and 87 for Spain. Production contracts for the first tranche of 148 aircraft, 55 of which are for the UK, were placed in September 1998.

The total procurement cost of the Eurofighter programme to the UK is estimated at £16.1 Billion at current prices.

Porton Down (Animal Procedures)

Mr. Baker: To ask the Secretary of State for Defence how many project licence applications for animal procedures at Porton Down have been *(a)* approved unamended for submission to the Home Office, *(b)* approved in amended form for submission to the Home Office and *(c)* rejected for each month since 1 January 1997. [89451]

Mr. Spellar *[holding answer 5 July 1999]:* This is a matter for the Chief Executive of the Defence Evaluation and Research Agency. I have asked the Chief Executive to write to the hon. Member.

Letter from Sir John Chisholm to Mr. Norman Baker, dated 6 July 1999:

I have been asked to reply to your parliamentary question about the number of applications for project licences to conduct research involving work with animals, which have been submitted to the Home Office from Porton Down since January 1997.

The Chemical and Biological Defence Sector of DERA at Porton Down has operated both an internal consultative process and ethical review process for several years, although the latter was only an official requirement by the Home Office from January 1999.

The operation of a preliminary internal consultation process and ethical review means all of the project licence applications are modified, amended and refined prior to application to the Home Office. However, during this period no application was totally rejected and none required resubmission to the ethical review. The numbers of project licence applications processed internally and submitted to the Home Office since January 1997 are shown in the table below.

Number of project licence applications processed

Month	Year 1997	1998	1999
January	0	0	1
February	2	1	0
March	0	1	0
April	1	1	0
May	2	0	0
June	1	1	1
July	0	2	—
August	2	0	—
September	0	0	—
October	1	0	—
November	0	1	—
December	0	0	—

I hope that you find this information helpful.

Mr. Baker: To ask the Secretary of State for Defence how many animals have been bred for use in experiments at Porton Down in *(a)* 1997–98 and *(b)* 1998–99; and how many of each year's total were subsequently killed without being so used. [89453]

Mr. Spellar *[holding answer 5 July 1999]:* This is a matter for the Chief Executive of the Defence Evaluation and Research Agency. I have asked the Chief Executive to write to the hon. Member.

Letter from Sir John Chisholm to Mr. Norman Baker, dated 6 July 1999:

I have been asked to reply to your question about the numbers of animals bred at the Chemical and Biological Defence Sector of DERA at Porton Down for use in research and the numbers culled without use.

These numbers for the financial years 1997–1998 and 1998–1999 are given in the table below.

Species of animal bred	1997–98	1998–99
Mice		
Weaned	5,656	3,232
Surplus cull	4,468	2,603
Rats		
Weaned	7,235	4,555
Surplus cull	4,055	3,851
Marmosets		
Weaned	116	154
Surplus cull	0	0
Rhesus		
Weaned	42	46
Surplus cull	0	0
Pigs		
Weaned	44	85
Market sales	18	7

In 1998–99, 2,375 of the culled mice and 3,080 of the culled rats were given to two local bird sanctuaries.

I hope that this information answers your question.

Antonov 124

Mr. Hoyle: To ask the Secretary of State for Defence if the Antonov 124, with a military aircraft release certificate, would meet his Department's required in-service date of 2001 under the Strategic Short-Term Airlift Programme. [88313]

Mr. Spellar: The five tenders received for the Short Term Strategic Airlift programme are currently being assessed by DPA officials against the authorised Staff Requirement, which includes the in-service date of 2001. Owing to the commercial confidentiality of the tenders and assessment process, I am withholding the information that my hon. Friend seeks under exemption 13 of the Code of Practice on Access to Government Information.

PRIME MINISTER

Biotechnology

Joan Ruddock: To ask the Prime Minister (1) if the studies of the consequences of developments in biotechnology to be undertaken by the OECD on behalf of the G8 will be published; [88085]

(2) pursuant to his oral statement of 21 June 1999 on the G8 summit, *Official Report*, columns 761–64, if he will ensure that the terms of reference of the studies on the consequences of developments in biotechnology, to be undertaken by committees of the OECD and reported to next year's summit, are placed in the Library. [88094]

The Prime Minister: The Government are committed to ensuring an open and informed debate on biotechnology both within the United Kingdom and internationally. I firmly endorse the G8 conclusions inviting the OECD to carry out studies in this area, and we are currently discussing with G8 partners and the OECD the detailed arrangements under which these can best be taken forward.

Special Advisers

Mr. Tyrie: To ask the Prime Minister if he will list the total cost, including travel and accommodation, of each occasion when a special adviser of the Chief Whip and Parliamentary Secretary to the Treasury has travelled abroad in an official capacity since 2 May 1997, whether accompanied by a Minister or not, indicating the place visited. [89047]

The Prime Minister: The two Special Advisers to the then Chief Whip visited the European Parliament in Brussels in September 1997. The cost of flights and accommodation was £300 each.

Following a request from the South African Parliament, one Special Adviser was a member of a party, which included the Principal Clerk, Select Committees in the House of Commons and other officials who visited South Africa to assist the Parliamentary Administration to prepare for the new induction of MPs following the national elections on 2 June. This was funded from the development assistance programme of the Department for International Development. The cost attributed to the Special Adviser's flight was £2,334. Subsistence was paid at a rate of £72 a night for the three nights of the visit.

All visits have been in accordance with the rules set out in the Ministerial Code.

Mr. Tyrie: To ask the Prime Minister, pursuant to his answer of 13 April 1999, *Official Report*, column *1*, on special advisers, if he will list the total cost including travel, accommodation and subsistence allowances, and place visited of each occasion that his *(a)* Chief of Staff and *(b)* Chief Press Secretary travelled abroad in an official capacity since 2 May 1997, whether accompanied by him or not. [89065]

The Prime Minister: My Chief of Staff and Chief Press Secretary regularly accompany me on official overseas visits and I refer the hon. Member to the answer I gave to him on 25 June 1999, *Official Report*, column *482–83* which accounted fully for costs of my official visits overseas, including the costs of those accompanying me. In addition, during the conflict in Kosovo, my Chief Press Secretary has visited NATO HQ in Brussels on six occasions, at the request of the NATO Secretary General and General Clark, SACEUR at an average cost of £400 per visit; and undertook a single visit to Macedonia and Kosovo at a cost of £570. Wherever possible, any accommodation needed was provided at no charge by HM Ambassador, NATO or General Clark. Normal subsistence rates for civil servants have applied.

Mr. Don Foster: To ask the Prime Minister if he will list the subject and date of each written briefing prepared by special advisers in his policy department for all Labour Members since May 1997 and the total number and total cost to date of these. [89995]

The Prime Minister: Special Advisers are appointed under terms and conditions set out in the *Model Contract for Special Advisers*. Schedule 1, Part 1 of the Model Contract sets out the role and duties of Special Advisers. As well as research for Ministers and reviewing papers, contributing to policy planning with the Department and preparing policy papers, speechwriting and liaison with outside interest groups, their role explicitly includes liaising with the party and helping to brief party MPs. Records are not held of when such briefings are given. Similar arrangements have applied under successive Administrations.

Intelligence Services Act

Mr. Baker: To ask the Prime Minister if he will identify the Secretary of State referred to in Paragraph 13 of the report of the Commissioner for 1998 in respect of the Intelligence Services Act 1994. [88715]

The Prime Minister *[holding answer 29 June 1999]:* As has already been made public, my right hon. Friend the Secretary of State for Scotland has confirmed that reference was to him and that he acted in accordance with long-standing procedures which were in place at the time.

The Commissioner's Annual Report made no criticism of any Secretary of State, but the Government will take account of advice received from the Commissioner and introduce any necessary procedural changes.

Official Histories

Mr. Bercow: To ask the Prime Minister if he will list the official histories held by each Government Department. [89727]

The Prime Minister: Official histories are those produced by the Cabinet Office. Since the current programme began in 1966, the following titles have been published:

Title	*Author*	*Date published*
Environmental Planning	Professor J. B. Cullingworth	1975–80
Nationalisation of British Industry	Professor Sir Norman Chester	1975
Colonial Development	D. J. Morgan	1980
External Economic Policy Vol. 1	Professor L. S. Pressnell	1987
The British Part in the Korean War	General Sir Anthony Farrar-Hockley	1990–95
The Health Services since the War	Dr. Charles Webster	1988–96

In addition a number of official histories are in preparation. These were listed in my answer to the hon. Member for Mid-Norfolk (Mr. Simpson) on 3 February 1999, *Official Report*, column *646*. Both the published histories, and those in preparation, relate only to the Cabinet Office official history programme. Other Government Departments produce histories relating to their own responsibilities. No central record of these is held.

TREASURY

Fixed Penalty (Speeding)

Mr. Woolas: To ask the Chancellor of the Exchequer how much income the Treasury has received to date from fixed penalty fines issued as a result of speeding offences detected by speed cameras. [89381]

Mr. Milburn: This information is not held centrally. However I understand that the following Fixed Penalty Notices in respect of automatic speed detection have been issued:

Year	*England and Wales (a)*	*Scotland (b)*	*Northern Ireland (c)*
1993	25,767	646	n/a
1994	95,510	8,464	n/a
1995	170,014	15,049	n/a
1996	212,600	23,860	n/a
1997	288,622	27,145	n/a
1998	n/a	n/a	6,674
1999 (to date)	n/a	n/a	n/a

Notes:

(a) Automatic detection came into force on 1 April 1993. The penalty has been £40 since 1 April 1992.

(b) Automatic detection came into force on 1 April 1993. The penalty has been £40 since then.

(c) Mobile speed cameras came into being on 1 October 1997. The penalty has been £40 plus 3 penalty points since then.

Climate Change Levy

Mr. Jim Cunningham: To ask the Chancellor of the Exchequer what estimate he has made of how much the Treasury will receive annually as a result of the climate change levy; and if the levy will be fiscally neutral within the manufacturing sector. [89568]

Ms Hewitt: The climate change levy will be introduced in April 2001 raising around £1.75 billion in its first full year. Its introduction will entail no increase in the overall burden of tax on business as the revenue will be fully recycled via a 0.5 percentage point cut in the main rate of employers' National Insurance Contributions. Business will also benefit from an additional £50 million for schemes aimed at promoting energy efficiency and support for renewable sources of energy, like solar and wind power.

The net impact of the climate change levy and the associated reduction in National Insurance Contributions on individual sectors will depend on the rates at which the levy is set. The final rates of the levy will not be set until the Finance Bill 2000.

Special Advisers

Mr. Don Foster: To ask the Chancellor of the Exchequer if he will list the subject and date of each written briefing prepared by his Special Advisers for all Labour Members since May 1997 and the total number and total cost to date of these. [89982]

Ms Hewitt: Special Advisers are appointed under terms and conditions set out in the Model Contract for Special Advisers. Schedule 1, Part 1 of the Model Contract sets out the role and duties of Special Advisers. As well as research for Ministers and reviewing papers, contributing to policy planning within the Department and preparing policy papers, speechwriting and liaison with outside interest groups, their role explicitly includes liaising with the party and helping to brief party MPs. Records are not held of when such briefings are given. Similar arrangements have applied under successive Governments.

Financial Services Authority

Ms Lawrence: To ask the Chancellor of the Exchequer when he expects the annual report of the Financial Services Authority to be published. [90168]

Ms Hewitt: A copy of the Board's report was laid before Parliament today. It includes a report, pursuant to Section 1(3) of the Banking Act 1987 on the exercise of the Authority's functions under that Act, during the 13 month period to 31 March 1999. It also includes the report made by the FSA under section 117 of the Financial Services Act 1986, covering the period 1 April 1998 to 31 March 1999. Copies have been placed in the Libraries of the House.

NORTHERN IRELAND

Paramilitary Violence

Mr. William Ross: To ask the Secretary of State for Northern Ireland if she will list for the week ended Saturday 19 June the number of *(a)* punishment beatings and *(b)* punishment shootings which took place in Northern Ireland, indicating how many in each category were committed by (i) Loyalist and (ii) Republican groups. [89262]

Mr. Ingram: The numbers of paramilitary attacks during the period 13–19 June 1997 are as follows:

	Loyalist	*Republican*
Assaults	1	1
Shootings	3	3
Total	4	4

Mr. William Ross: To ask the Secretary of State for Northern Ireland if she will list for the week ended Saturday 26 June the number of *(a)* punishment beatings and *(b)* punishment shootings which took place in Northern Ireland, indicating how many in each category were committed by (i) Loyalist and (ii) Republican groups. [89260]

Mr. Ingram: The numbers of paramilitary attacks during the period 20–26 June 1999 are as follows:

	Loyalist	*Republican*
Assaults	1	0
Shootings	0	0
Total	1	0

Mr. William Ross: To ask the Secretary of State for Northern Ireland if she will list for the week ended Saturday 26 June the number of violent incidents involving paramilitary groups which took place in Northern Ireland, indicating how many involved (i) Loyalist and (ii) Republican groups. [89259]

Mr. Ingram: The numbers of security incidents during the period 20–26 June 1999 are as follows:

	Incidents
Deaths	0
Shooting	1
Bombing	3

The numbers of casualties as a result of paramilitary-style attacks during the period are as follows:

	Loyalist	*Republican*
Assaults	1	0
Shootings	0	0
Total	1	0

Notes:
1. The shooting and bombing incidents can as yet be firmly attributed to a grouping
2. Figures may be subject to minor amendment

Mr. William Ross: To ask the Secretary of State for Northern Ireland if she will list for the week ended Saturday 19 June the number of violent incidents involving paramilitary groups which took place in Northern Ireland, indicating how many involved (i) Loyalist and (ii) Republican groups. [89261]

Mr. Ingram: The numbers of security incidents during the period 13–19 June 1999 are shown below:

Deaths—1

Shooting incidents—7

Bombing incidents—nil.

The numbers of casualties as a result of paramilitary-style attacks during the period are as follows:

	Loyalist	*Republican*
Assaults	1	1
Shootings	3	3
Total	4	4

Notes:
1. The shooting and bombing incidents cannot as yet be firmly attributed to a grouping.
2. Figures may be subject to minor amendment.

Fair Employment Commission

Mr. William Ross: To ask the Secretary of State for Northern Ireland how many employees the Fair Employment Commission has and what are their *(a)* grades or positions and *(b)* religious affiliations; and if he will provide the same information for 1994. [89547]

Mr. Ingram: The Fair Employment Commission currently employs 76 staff. Of these 63 are operational staff and 13 support staff. The religious composition is 30 Protestant and 46 Roman Catholic overall. Of these 25 operational and 5 support staff are Protestant and 38 operational and 8 support staff are Roman Catholic.

In 1994 staffing also stood at 76, with 57 operational and 19 support staff. The religious composition was 34 Protestant and 42 Roman Catholic overall. Of these 27 operational and 7 support staff were Protestant and 30 operational and 12 support staff were Roman Catholic.

Northern Ireland (Location of Victims' Remains) Act 1999

Mr. William Ross: To ask the Secretary of State for Northern Ireland what sums she has expended to date under section 2 of the Northern Ireland (Location of Victims' Remains) Act 1999. [89879]

Mr. Ingram: To date £694.50 has been spent under section 2 of the Northern Ireland (Location of Victims' Remains) Act 1999. Of this £610.50 has been spent on transport and associated expenses for the UK Commissioner, Sir Kenneth Bloomfield. The other £84 has been spent on setting up a Post Office Box.

ENVIRONMENT, TRANSPORT AND THE REGIONS

A130 Bypass Scheme

Jane Griffiths: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the local authority transport schemes which were considered for PFI when the A130 bypass scheme was approved. [88589]

Ms Glenda Jackson: The following local authority transport schemes were being considered last autumn along with the A130 bypass project:

Baldock Bypass

Bristol/South Gloucestershire Rapid Transit

Doncaster North Bridge

East Leeds Radial

Manchester Metrolink Extensions

North Yorkshire PFI

Northumberland County Council Street Lighting

Nottingham Express Transit

South Hampshire Rapid Transit

Surrey Cross Thames Integrated Transport Corridor

Tyne and Wear Metro Extension

Walsall Integrated Transport Project

Walsall Street Lighting

Weymouth Transportation and Regeneration Project.

Jane Griffiths: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the criteria by which the different schemes were judged when the PFI Scheme for the A130 bypass was approved; and how each scheme scored against the criteria. [88735]

Ms Glenda Jackson: The A130 bypass PFI project and the other local road schemes considered for PFI funding last autumn were appraised using the New Approach to Appraisal developed during the Roads Review. The Appraisal Summary Table for the A130 was placed in the Library, as specified on 19 May 1999, *Official Report*, column *354*. As the other schemes considered at the time were not progressed and are subject to further evaluation by the local authorities concerned, Appraisal Summary Tables for these have not been published.

Environment Council

Mr. Hood: To ask the Secretary of State for the Environment, Transport and the Regions what was the outcome of the Environment Council held in Luxembourg on 24–25 June; and if he will make a statement. [89125]

Mr. Meacher: The meeting of the Environment Council on 24–25 June reached political agreement on common positions for seven proposals which will now go forward to the European Parliament for a second reading. The Council also reached conclusions on several other matters.

Political agreement was reached on the proposal to amend Directive 90/220 on the deliberate release of genetically modified organisms. This amendment provides improved risk assessment procedures which will now include an assessment of direct, indirect, immediate or delayed effect of GMOs. The agreement introduces a post-market monitoring regime, recognition of the precautionary principle, and recourse to a Commission committee on questions of a general ethical nature. It also includes a more comprehensive labelling regime for GMOs. The Commission's review of the Directive in 2003 will include an assessment of whether sufficient experience has been gained to consider differentiated procedures for marketing release. Of key importance, the voice of member states will be strengthened in the Commission chaired regulatory committee responsible for resolving objections lodged by one or more member states (referred to as the comitology procedure). GMOs subject

to authorisation under other EU product legislation will be exempted from authorisation under amended Directive 90/220 only where the relevant product legislation provides for equivalent risk assessment requirements to those in the amended Directive. Likewise, such exemptions will apply only where equivalent safeguarding provisions to those in Directive 90/220 apply. These allow member states to take unilateral emergency action in the event of new evidence of risk. The text provides for the identification and phasing out of antibiotic marker genes which are harmful to human health and the environment. It provides for first time consent to be time-limited to a period of up to ten years. In addition, the text provides clear timetables for the taking of decisions on marketing of GMOs; this will make it easier for industry to invest and plan. The UK made a statement for the minutes calling on the Commission to consider, as a matter of priority, the feasibility of a liability regime to cover the release and marketing of GMOs.

The Council reached agreement on a proposal for a directive to minimise adverse environmental effects from the incineration of waste. The agreement will extend EU controls to virtually all waste incineration plants, update the requirements of the 1989 municipal waste incineration directives and, by merging them with the 1994 Hazardous Waste Incineration Directive, consolidate incineration controls into a single piece of legislation. It sets stringent minimum emission limit values for a range of substances emitted from incineration and co-incineration processes, including a 10 fold tightening of the dioxins limit currently set by the Environment Agency.

Agreement was also reached on a proposal concerning noise from outdoor machinery which will set noise labelling requirements for 57 types of machinery and noise limits for 22 of these. A further agreement will set controls for the first time on diesel exhausts for agricultural and forestry tractors and set emission limits in line with those already agreed for non-road mobile machinery.

The regulation governing the EU's funding programme for projects which improve environmental quality, known as the LIFE programme, has also been updated, and agreement was reached on a budget of 613 million euros over the next 5 years.

Revisions to two voluntary schemes were also agreed. Political agreement was reached on a revised EU ecolabelling regulation, governing the scheme which enables products to display the EU eco label symbol if they meet agreed environmental criteria. The UK made a statement for the minutes recording disappointment that it had not been possible to agree better arrangements for promoting convergence between the EU ecolabelling scheme and various national labelling schemes which will continue to run alongside it. Political agreement was also reached on a revised regulation to govern the EU eco-management and audit scheme (EMAS), which gives recognition to companies and organisations with good systems for environmental management and reporting.

Council deferred a decision on a common position on the draft end of life vehicles directive which should now be decided under the Finnish Presidency.

The Council agreed conclusions on EU Chemicals policy, as part of a process begun at the informal Environment Council at Chester under the UK Presidency; on negotiations with Japanese and Korean car manufacturers concerning a voluntary reduction in carbon dioxide emissions from new passenger cars; on the Convention on Biological Diversity; on the proposed Biosafety Protocol; and on the environmental situation in the former Republic of Yugoslavia.

The Council held a policy debate on a proposal for directive on the environmental assessment of plans and programmes and noted presentations from the Commission on the integration of the environment into the internal market and on the implementation of the Kyoto protocol on climate change.

London Underground

Mr. Fearn: To ask the Secretary of State for the Environment, Transport and the Regions what representations his Department has received concerning current disruptions on the Circle and District London Underground lines. [89138]

Ms Glenda Jackson: As of 1 July 1999, my Department has received letters from four members of the public on the recent disruptions on the Circle and District lines. We have also received questions from four hon. Members, including the hon. Gentleman.

Ms Perham: To ask the Secretary of State for the Environment, Transport and the Regions when he will make public the report into the London Underground penalty fares scheme; and if he will make a statement. [90252]

Ms Glenda Jackson: I have today placed a copy of the review in the Library.

The operation of the penalty fares scheme on London Underground is the statutory responsibility of London Transport in accordance with powers under the London Regional Transport (Penalty Fares) Act 1992.

Leaded Fuel

Mr. Todd: To ask the Secretary of State for the Environment, Transport and the Regions what steps his Department is taking to *(a)* advise consumers of the removal of leaded fuel from the market and *(b)* assist owners of cars where conversion is uneconomic to dispose of their vehicles appropriately or support their continued use. [89083]

Ms Glenda Jackson: Since December 1998 over 3.5 million leaflets have been made available to inform motorists using leaded fuel that they will have several alternatives available to ensure that they can continue to use their cars after the general removal of leaded fuel from the market by 1 January 2000. The Government will shortly be launching a further publicity campaign to reinforce this message. Information leaflets are already being provided with Vehicle Excise Duty payment reminders and these will be followed by advertisements in the national press and the provision of further information leaflets at MOT garages and at filling stations. Information will also be available on the DETR site on the internet.

Most cars will be able to run on lead replacement petrol (LRP) without adjustment to their engines. LRP will become widely available at pumps from the autumn with a duty rate set by the Chancellor some 3.67p per litre

lower than that of leaded petrol. Alternatively, where LRP is not available, motorists will be able to buy special additives in bottles or syringe-like applicators for use with the grade of unleaded petrol (super or premium) recommended by the vehicle manufacturer.

Many cars could alternatively be switched to ordinary unleaded petrol, with no alteration to the engine or with only a simple adjustment to the ignition timing, the cost of which could be recovered through lower fuel costs. In a relatively few cases where motorists often use their cars for prolonged heavy motorway driving or for towing they may find they need to have their engines modified. However, the vast majority of cars will not need this extreme modification and independent advice should be obtained before deciding whether this is necessary.

Refrigerants

Mr. Stunell: To ask the Secretary of State for the Environment, Transport and the Regions (1) what assessment he has made of the environmental costs and benefits of alternative refrigerant gases in the next generation of installed equipment; and if he will make a statement; [89254]

(2) what assessment he has made of the projected impact of the use of HFCs as refrigerant gases on the United Kingdom's target for reduction of greenhouse gas emissions; and if he will make a statement. [89256]

Mr. Meale: My Department has carried out several assessments of alternatives to the use of ozone depleting substances such as CFCs. Alternatives to CFC refrigerants include HFCs, which are potent greenhouse gases, ammonia and hydrocarbons. While ammonia and hydrocarbons benefit from not being greenhouse gases, they are either toxic or highly flammable. Nevertheless, in suitably designed systems, they may be used for many refrigeration applications. Energy efficiency is an important factor in determining overall greenhouse gas emissions from the use of refrigeration systems, and is generally comparable for well designed systems using HFCs, ammonia or hydrocarbons as refrigerants.

Emissions of HFCs used as refrigerant gases were 0.2 million tonnes of carbon-equivalent in 1995 and are currently projected to rise to 1.3 million tonnes of carbon-equivalent in 2010. This increase in emissions is equivalent to 0.5 per cent. of total UK emissions of the basket of six greenhouse gases in 1990. These projections assume the increased use of alternative refrigerants in some applications. The Government are developing a UK climate change programme which will address both their legally binding target of 12.5 per cent. reduction in overall greenhouse gas emissions by 2008–12, and the domestic goal of a 20 per cent. reduction in CO_2 emissions.

Mr. Green: To ask the Secretary of State for the Environment, Transport and the Regions what steps he has taken to encourage the use of non-HFC refrigerants inside Government buildings; and if he will make a statement. [90061]

Mr. Meale: My Department issued a model improvement statement for greening government operations in May 1998. Since then Government departments have been adopting and adapting the model to meet their own special circumstances and develop further their environmental strategies. Among other things, the model statement promotes switching from HFCs to environmentally preferable substitutes having a low or zero global warming potential. Advice on suitable alternatives is given in DETR's "Green Guide for Buyers" and other guidance which can be found on our website.

Air Passengers

Caroline Flint: To ask the Secretary of State for the Environment, Transport and the Regions if he will list for each airport in the United Kingdom the percentage increase in passenger volume for the last year for which figures are available. [89385]

Ms Glenda Jackson: The most recent year for which Civil Aviation Authority data are available is 1998. The absolute and percentage increases in 1998 over 1997 for each UK airport are listed.

	Terminal passengers		
	1998	*1997*	*Percent change on previous year*
London area airports			
Gatwick	29,032,838	26,792,797	8.36
Heathrow	60,360,404	57,848,625	4.34
London City	1,360,182	1,161,065	17.15
Luton	4,115,924	3,221,266	27.77
Southend	4,053	8,652	−53.16
Stansted	6,830,289	5,366,197	27.28
Total London area airports	102,216,797	94,398,602	8.28
Battersea Heliport	4,709	5,072	−7.16
Other UK airports			
Aberdeen	2,651,995	2,568,620	3.25
Barra	8,966	8,597	4.29
Barrow-in-Furness	105	206	−49.03
Belfast City	1,314,346	1,282,390	2.49
Belfast International	2,626,963	2,459,844	6.82
Benbecula	36,294	36,983	−1.86
Biggin Hill	6,967	7,269	−4.15
Birmingham	6,607,910	5,903,434	11.93

	Terminal passengers		
	1998	1997	Percent change on previous year
Blackpool	93,745	83,218	12.65
Bournemouth	312,924	265,067	18.05
Bristol	1,814,237	1,586,420	14.36
Cambridge	16,605	19,919	−16.64
Campbeltown	9,137	8,710	4.90
Cardiff Wales	1,230,193	1,124,131	9.44
Carlisle	957	834	14.75
Coventry	2,639	1,694	55.79
Dundee	8,737	15,777	−44.62
East Midlands	2,136,064	1,878,313	13.72
Edinburgh	4,544,992	4,161,359	9.22
Exeter	240,753	213,355	12.84
Glasgow	6,480,765	6,011,792	7.80
Gloucestershire	2,236	2,103	6.32
Hawarden	3,507	2,113	65.97
Humberside	344,363	331,849	3.77
Inverness	323,661	379,256	−14.66
Islay	21,024	19,508	7.77
Isle of Man	700,929	676,832	3.56
Isles of Scilly (St. Marys)	131,617	128,265	2.61
Isles of Scilly (Tresco)	33,559	27,303	22.91
Kent International	2,269	2,936	−22.72
Kirkwall	83,460	88,701	−5.91
Leeds Bradford	1,398,304	1,247,090	12.13
Lerwick (Tingwall)	4,029	4,221	−4.55
Liverpool	868,885	682,265	27.35
Londonderry	49,095	56,043	−12.40
Lydd	2,370	2,596	−8.71
Manchester	17,206,130	15,741,516	9.30
Newcastle	2,919,885	2,592,382	12.63
Norwich	317,525	263,887	20.33
Penzance Heliport	119,800	108,805	10.11
Plymouth	110,137	103,044	6.88
Prestwick	558,214	567,338	−1.61
Scatsta	104,297	102,234	2.02
Sheffield City[1]	46,521	254	18,215.35
Shoreham	2,156	2,685	−19.70
Southampton	725,029	618,205	17.28
Stornoway	95,735	96,180	−0.46
Sumburgh	287,028	345,027	−16.81
Teesside	651,435	556,938	16.97
Tiree	4,095	5,056	−2.99
Unst	1,752	19,999	−12.36
Wick	23,102	25,195	−8.31
Total other UK airports	57,288,253	52,419,258	9.29
Total all reporting UK airports	158,996,652	146,822,932	8.29
Channel Islands airports			
Alderney	77,196	81,046	−4.75
Guernsey	890,279	870,741	2.24
Jersey	1,693,791	1,687,054	0.40
Total Channel Islands airports	2,661,266	2,638,841	0.85

[1] Sheffield City began reporting June 1997

Caroline Flint: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the number of passengers from *(a)* the UK and *(b)* the Yorkshire and Humberside Region flying to destinations (i) in the USA, (ii) in Europe and (iii) elsewhere in (1) 1978, (2) 1988 and (3) 1998. [89390]

Ms Glenda Jackson: Estimates of passengers originating in the Yorkshire and Humberside region and travelling to the United States, Europe and elsewhere are not regularly produced by the Civil Aviation Authority. Estimates of passengers flying from airports in the Yorkshire and Humberside region, which are Leeds, Bradford and Humberside, to these destinations are available. Data for 1978, 1988 and 1998 are listed in the table.

Estimates are also made by the Civil Aviation Authority of the total number of UK passengers originating in the Yorkshire and Humberside region flying from UK airports on international services. These data are not disaggregated by destination and are available only for selected years. Figures for 1987 and 1997 are listed in the table.

Passengers flying from Yorkshire and Humberside airports by destination for 1978, 1988 and 1998

	USA	Western Europe	Elsewhere	Total terminal passengers
1978				
United Kingdom	5,137,652	24,061,548	9,521,028	38,720,228
Yorkshire and Humberside	0	31,705	343,879	375,584
1988				
United Kingdom	8,538,829	47,039,170	37,583,530	93,161,529
Yorkshire and Humberside	0	253,419	565,192	818,611
1998				
United Kingdom	17,152,197	82,462,356	59,382,099	158,996,652
Yorkshire and Humberside	0	1,217,791	524,876	1,742,667

Sources:
CAP 552 Tables 10.1 and 12
CAP 424 Tables 3.15 and 3.16
UK Airports 1998 Tables 2.2 and 12

UK passengers originating in the Yorkshire and Humberside region travelling on international flights from UK airports

Year	Yorkshire and Humberside	Total United Kingdom
1987	2,653,000	39,123,000
1997	4,476,000	61,141,000

Sources:
CAP 690 Tables 71 and 72

A36 (Salisbury)

Mr. Key: To ask the Secretary of State for the Environment, Transport and the Regions if he will *(a)* impose a 12 tonne weight limit on the A36(T) between Wylye and Salisbury, *(b)* erect signage to divert traffic from that route to the A303 and A360 between Wylye and Salisbury via Long Barrow roundabout, *(c)* detrunk and *(d)* declassify that road. [89190]

Ms Glenda Jackson *[holding answer 1 July 1999]:* We are currently undertaking a detailed study of the potential options available to help solve the transport problems of Salisbury and the surrounding area. As the A36 forms an integral part of the highway network of the study area, the problems associated with it are being considered as part of the overall study. The results should be available in the Autumn and will be the subject of public consultation. It is too early to comment on what solutions may be proposed but weight limits and diversions are among the many options being considered for the Salisbury area. A final decision on the classification of the A36 will be taken after a further study, as announced by my noble Friend the Parliamentary Under-Secretary of State on 7 April.

Domestic Electrical Systems

Mr. Laurence Robertson: To ask the Secretary of State for the Environment, Transport and the Regions what regulations exist to ensure the correct fitting of electrical systems and circuits in homes; and if he will make a statement. [89598]

Mr. Raynsford *[holding answer 2 July 1999]:* There are no such existing regulations. My Department is considering the merits of extending the Building Regulations to cover this.

Channel Tunnel Rail Link

Miss McIntosh: To ask the Secretary of State for the Environment, Transport and the Regions what timetable the Government have for the introduction of the direct high-speed access to the Channel Tunnel from York; and if he will make a statement. [90084]

Ms Glenda Jackson: My right hon. Friend the Deputy Prime Minister announced on 28 January 1999, *Official Report,* columns *340–41*, the commissioning of a thorough and independent review of regional Eurostar services. On 17 June the consultancy firm Arthur D. Little were appointed to undertake this review, and it is underway. The review, which will include an assessment of possible York services, will be thorough and wide ranging in its consideration of alternative options. It will, in particular, seek to assess the regional economic and social benefits of regional Eurostar services, and will examine the proposals put forward by the Virgin Group and the report produced last year by Inter-Capital and Regional Rail Ltd. The final report is due to be submitted at the end of October, and we expect to make a statement to the House before the end of the year.

English Partnerships

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions what the square footage is of the English Partnerships' offices in Cockermouth. [88755]

Mr. Meale: English Partnership offices in Cockermouth were transferred to the North West Development Agency on 1 April 1999. I understand from the Agency that the net lettable area of the office is 5,135 square feet.

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions (1) what proposals the North West Development Agency has for the future of the English Partnerships' offices in Cockermouth; [88752]

(2) what arrangements are being made for the sale or rental of the English Partnerships' offices in Cockermouth. [88762]

Mr. Meale: Issues relating to office accommodation are a matter for the North West Development Agency. I understand that once the Agency has confirmed a vacation date, the Cockermouth Offices will be marked as 'available to let'.

In the longer term, once the development is fully let, consideration will be given to its disposal on the open market.

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions what the annual rental costs are of the premises to be occupied by *(a)* English Partnerships and *(b)* the Rural Development Commission at Penrith. [88756]

Mr. Meale: Decisions on accommodation are for the North West Development Agency. I understand from the Agency that no final decision has been made on the location of the Penrith office. The annual rental costs of the likely premises to be occupied by the RDA staff (including former EP and RDC staff) are still under negotiation. However, I understand that the rental cost may be in the order of £10 per square foot.

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions what the staff complement was at the English Partnerships office in Cockermouth in *(a)* 1996, *(b)* 1997, *(c)* 1998 and *(d)* 1999; and what the proposed complement of staff at English Partnerships' new offices at Penrith is for the first three years following relocation from Cockermouth. [88751]

Mr. Meale: I understand that English Partnerships' staff complements in Cockermouth were *(a)* 1996—14, *(b)* 1997—14 *(c)* 1998—11 and *(d)* 1999—11; and that the proposed complement of staff at the North West Development Agency's offices in Penrith is 18 to 20 people.

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions if the Building Research Establishment Environmental Assessment Standard's Excellent Standard will apply to the offices which will be occupied by English Partnerships and other North West Development Agency operations at Penrith. [88757]

Mr. Meale: Decisions on accommodation are a matter for the North West Development Agency. I understand that in conducting the negotiations for the Penrith office the Agency has told the construction firm that they are looking for a Building Research Establishment Environmental Assessment Standard's Excellent Standard (BREAM). The Cockermouth office has no BREAM rating.

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the schemes for which funding had been approved by English Partnerships but not legally committed and which are the subject of funding reappraisal following the commencement of the operation of the North West Development Agency. [88766]

Mr. Meale: There were no such schemes outstanding at the commencement of the North West Development Agency.

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions what are *(a)* the nature of the title and *(b)* the annual running costs of the English Partnerships offices in Cockermouth. [88753]

Mr. Meale: Issues relating to accommodation are for the North West Development Agency. I understand from the Agency that the office at Cockermouth is held on freehold. The total running costs for the financial year 1998–99 were £513,735 for office related costs, including salaries, and £352,797 for estate related costs in connection with the Agency's portfolio of land and buildings in Cumbria. (Physical work on the 375 units comprising 845,000 sq. ft. across Cumbria).

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions what has been the budget for English Partnerships in each year since 1994; and what are the proposed budgets for the next three years. [88759]

Mr. Meale: Details of English Partnerships' total income and expenditure up to 1997–98 are given in their Annual Reports, copies of which are available in the Library.

The information on grant-in-aid provided by my Department is:

Year	*Grant-in-aid cash outturn (£ million)*
1994–94	183.0
1995–96	210.1
1996–97	226.0
1996–98	[1]259.8
1998–99	[2]294.2
1999–2000	[3,5]227.5
2000–01	[4,6]208.7
2001–02	[4,6]208.7
Total	1,818.8

[1] Includes grant-in-aid for the Greenwich Peninsula development.
[2] Includes grant-in-aid for Greenwich and for projects inherited from the Urban Development Corporations.
[3] This figure includes an allocation for the Partnership Investment Programme (PIP) which will remain with English Partnerships (EP) pending the resolution of issues that the Government are currently discussing with the European Commission. EP and Regional Development Agencies (RDAs) will be co-operating closely on PIP projects. Full details given in a written answer to my hon. Friend the Member for St. Helens North (Mr. Watts) on 21 April 1999, *Official Report*, columns *545–46*.
[4] Although no grant-in-aid provision has been Voted by Parliament for 2000–01 and 2001–02, the table shows Government's spending plans for English Partnerships announced in the Comprehensive Spending Review. This will be divided between EP and the RDAs.
[5] Provision
[6] Planned

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions what is the maximum number of staff it is possible to accommodate in the English Partnerships offices in Cockermouth; and if the proposed personnel requirements of English Partnerships' and the Rural Development Commission in Cumbria could be accommodated there. [88754]

Mr. Meale: Decisions about office accommodation are a matter for the North West Development Agency. I understand from the Agency that it estimates that up to

20 staff could be accommodated in the Cockermouth offices. The offices are of sufficient size to accommodate the Agency's Cumbria Area Office.

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions (1) what estimate he has made of *(a)* the change in the amount of excess mileage allowances arising out of the transfer of persons currently working at the English Partnerships office in Cockermouth to offices in Penrith and *(b)* the costs of excess mileage allowance if persons currently working for the RDC in Penrith had been required to travel to the Cockermouth offices of English Partnerships; [88764]

(2) what estimate has been made of the change in the costs in travelling time and mileage allowances in servicing West Cumbria following the move of English Partnerships' operations from Cockermouth to Penrith. [88769]

Mr. Meale: Decisions on location are a matter for the North West Development Agency. I understand from the Agency that the cost of travelling time and mileage, including excess mileage costs for staff required to change their location, were among the factors taken into account in the decision in principle to locate the Agency's Area Office in Penrith. However, the costs are impossible to estimate with any confidence because the staff concerned will often travel to appointments direct from home. The Area Office will service the whole of Cumbria; some journeys will be shorter and others longer depending on the destination for appointments.

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions from which year's budget the additional costs of the location of English Partnerships' in Penrith will be funded. [88760]

Mr. Meale: Decisions on location are a matter for the North West Development Agency. I understand from the Agency that its relocation may take place towards the end of this financial year, in which case the cost may be met in part this year and in part next year.

My Department will not be providing additional funding for the relocation.

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions what assessment has been made of the costs of complying with TUPE arising out of the transfer of staff from the Cockermouth offices of English Partnerships to a new location at Penrith. [88765]

Mr. Meale: Decisions on location are a matter for the North West Development Agency. I understand that costs associated with the transfer of staff have been fully taken into account when value for money aspects of the potential move were being considered by the Agency.

North West Development Agency

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions what consultation took place prior to the appointment of the membership of the North West Development Agency. [88749]

Mr. Meale: Candidates for the Boards of the Regional Development Agencies (RDAs) were sought from as wide a field as possible. Three main approaches were taken to identify candidates: RDAs were included alongside other Non Departmental Public Bodies in a general advertisement for Board Members; the databases of the Public Appointments Unit, DETR and other government departments were searched for suitable candidates; and a large number of regional and national stakeholders were invited to offer nominations.

I have placed in the Library a list showing the regional stakeholders who were invited to nominate members for the North West Development Agency.

Candidates encouraged to apply by stakeholders were considered alongside applicants from other sources. Information on which stakeholder, if any, nominated those appointed to the Boards was not recorded separately.

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions what the financial implications for the Exchequer are arising out of the movement from Mercury Court of the North West Development Agency's premises in Liverpool. [88761]

Mr. Meale: Decisions on location are a matter for the North West Development Agency. The movement of some staff from Mercury Court to alternative premises, including area offices, is still being negotiated. However, any net increase in cost which may arise will be contained within the Agency's overall budget. There will therefore be no direct financial implications for the Exchequer.

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions what consultation took place and with which organisations and individuals prior to the North West Development Agency's decision to close the Cockermouth Office of English Partnerships. [88750]

Mr. Meale: Decisions on location are a matter for the North West Development Agency. I understand that, in deciding in principle to locate its Area office in Penrith, the Agency took account of a range of factors.

The Board reached a decision to locate the Area Office and Headquarters on the M6/West Coast Main Line (in respect of Cumbria and Lancashire); at the interchange of the M6/M62 and West Coast Main Line (Warrington Headquarters and Cheshire Area office) and on the M62/East West Rail Line (Liverpool and Manchester). The Penrith decision flowed from the application of these criteria—particularly the need to have public transport access via rail. There was no general consultation on this specific decision.

Road Use Levies

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions what measures he will take to ensure that levies on *(a)* road use and *(b)* workplace parking schemes will not unfairly penalise car ownership by vulnerable groups. [89457]

Ms Glenda Jackson: The Government's proposals on road user charging and the workplace parking levy will not penalise car ownership, but will tackle congestion and other problems caused by car use in certain circumstances. The Government are keen to ensure that the needs of vulnerable groups are considered when charging schemes

are introduced. The Secretary of State will take all relevant impacts into account when considering proposed local authority schemes for approval.

Road Accidents

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on progress towards achieving the national targets for reducing the number of deaths and serious injuries resulting from road accidents in the United Kingdom. [89710]

Ms Glenda Jackson: In 1987, a target was set to reduce the numbers of deaths and injuries from road accidents in Great Britain by one third by the year 2000, compared with the average for 1981–85.

The target has been exceeded for both road fatalities and serious injuries. By 1998, fatalities were 39 per cent. below baseline and serious injuries were 45 per cent. below. Compared with 1997, there was a fall of 5 per cent. for both deaths and serious injuries.

This substantial reduction in road casualties is to be welcomed, but there is no room for complacency. We are working on a new casualty reduction target for 2010, and a road safety strategy, which we are aiming to publish in the Autumn.

Countryside Agency

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions what it will cost the Countryside Agency to occupy the property at Penrith formerly occupied by the Rural Development Commission. [88763]

Mr. Meale: The rent payable by the Countryside Agency is £6,763 a year, which includes service charges and utility costs. In addition, the Agency incurred one-off costs of about £4,500 on minor refurbishment works, including the installation of computer cabling.

TRADE AND INDUSTRY

Gene Patents

Dr. Gibson: To ask the Secretary of State for Trade and Industry what plans he has to restrict the exercise of monopoly power under gene patents. [87371]

Mr. Battle: Rights available to patent owners, including those relating to genetic engineering, offer encouragement to undertake the costs and risks of technical innovation, but are already limited in their scope and duration in order that others can gain access to patented inventions and the technical knowledge on which they are based. There are no plans for change.

As for all technologies, patent rights in the genetics field can last for a maximum period of 20 years after which the invention becomes part of the public domain and all are free to use it. There are exceptions to rights allowing the use of a patented invention to undertake research relating to that invention. If the market for an invention is not being satisfied in the UK, then rights may be compulsorily licensed to others. It is also important to note that patented inventions are published in sufficient detail to allow others skilled in the technology to use them. This ensures that technical advances are disclosed so stimulating research for further inventions, and rights may be challenged more easily since their foundation is made available for all to see. These restrictions are consistent with European and International laws concerning patentability.

In addition to these restrictions on patent rights, in the event that a patented invention places the rights owner in a dominant market position, exercise of patent rights is subject to competition law.

European Communities Working Groups

Mr. Bercow: To ask the Secretary of State for Trade and Industry if he will list the European Communities working groups which met over the last 12 months with a representative from his Department in attendance; if he will list the number of times each met; if he will indicate the nature of the Government's representation; and if he will make a statement. [88478]

Mr. Wilson: I have nothing further to add to the reply given by my right hon. Friend the Minister of State at the Foreign and Commonwealth Office on 18 June 1999, *Official Report*, column *255*.

Civil Servants (Secondments)

Mr. Gordon Prentice: To ask the Secretary of State for Trade and Industry if he will list the number and grade of civil servants seconded to work in the *(a)* textile and *(b)* aerospace industries for each year since 1992. [89549]

Mr. Battle: The Department does not keep comprehensive historical records of secondments. From the information that is available the details requested are:

Company	*Grade*	*Period of secondment*
Aerospace Industries		
British Aerospace	R10 (formerly Grade 7)	November 1994–February 1995
SBAC	R9 (formerly SEO)	October 1995–September 1997
British Aerospace	R10	January 1996–December 1996
Matra Marconi Space	R10	April 1996–September 1997
British Airways	R9	August 1996–September 1996
Textile Industries		
British Footwear Association	R8	December 1997–March 1999
Faith Charnock Wilson	R8	June 1997 (2 weeks)
John Partridge Illingworth Drummonds Paul James Knitwear	R6	4 x 1-day attachments

Statutory Instruments

Dr. Fox: To ask the Secretary of State for Trade and Industry what percentage of statutory instruments introduced by his Department into Parliament in *(a)* 1998, *(b)* 1992, *(c)* 1985 and *(d)* 1973 had the European Union as their legislative source. [89169]

Mr. Byers: This question cannot be answered without incurring disproportionate cost.

Inward Investment

Caroline Flint: To ask the Secretary of State for Trade and Industry what estimate he has made of the levels of inward investment into (i) the South East Government Office Region, (ii) the West Midlands Government Office Region and (iii) the Yorkshire and the Humber Government Office Region for the last five years for which figures are available. [89384]

Mr. Wills: The figures in the table are based on information provided by companies at the time of the announcement of the decision to invest in the UK. They are based on the companies' best estimates, at that time, of the number of jobs to be created/safeguarded by the investment in its first three years.

There is no requirement to notify the Department and so the figures include only those projects where the Department's Invest in Britain Bureau and its regional partners were involved or which have come to their notice. Comprehensive capital expenditure details are often not available at the time of the decision to invest, and are therefore not included.

Region	*Number of projects*	*Number of new jobs*	*Number of safeguarded jobs*	*Number of associated jobs*
South East				
1993–94	20	916	5,950	6,866
1994–95	37	3,248	14,895	18,143
1995–96	50	5,385	13,482	18,867
1996–97	46	3,775	2,756	6,531
1997–98	56	5,534	7,442	12,976
West Midlands				
1993–94	84	3,370	46,069	46,439
1994–95	62	4,797	7,469	12,266
1995–96	77	7,072	4,479	11,553
1996–97	76	4,350	15,351	19,701
1997–98	81	5,631	12,546	18,177
Yorkshire and Humber				
1993–94	41	2,829	3,998	6,827
1994–95	26	3,152	3,867	7,019
1995–96	45	1,964	7,515	9,479
1996–97	36	1,887	3,503	5,390
1997–98	65	2,874	15,131	18,005

Biotechnology

Mr. Alan Simpson: To ask the Secretary of State for Trade and Industry how many people are currently employed in the medical and pharmaceutical applications of biotechnology in the United Kingdom; and what has been the annual financial contribution of this area of biotechnology to the United Kingdom's gross domestic product from 1992 to date in actual terms and in terms of a percentage of gross domestic product. [89715]

Mr. Battle: This information is not available from official statistics.

Kosovo

Mr. Kidney: To ask the Secretary of State for Trade and Industry what assessment he has made of the potential for incorporating renewable energy sources in the rebuilding works in Kosovo. [89919]

Mr. Battle: During my brief visit to Kosovo on 28 and 29 June heading the Taskforce it was clear that rehabilitation of the power sector was urgently required. However, it is too early to assess the extent to which the potential exists to incorporate renewable energy resources in the refurbishment of Kosovo's power generation capacity; this will have to await more detailed assessment studies of all aspects of the power sector.

Small and Medium Enterprises

Mr. McNulty: To ask the Secretary of State for Trade and Industry what plans he has for stimulating the availability of finance for SMEs through the regional venture capital funds element of the Enterprise Fund. [89955]

Mr. Byers: I have today published a consultation paper, "Addressing the SME Equity Gap—Support for Regional Venture Capital Funds" which sets out our proposals and seeks views on the design and form of the support for the Regional Venture Capital element of the Enterprise Fund. Depending on the results of the consultation, I will be making up to £50 million available over the next three years to support the creation of Regional Venture Capital Funds. I expect this to lever in significant amounts of matching private sector finance.

The intention of our support is to provide a model which regional partnerships, working with Regional Development Agencies, can use to stimulate venture capital funds to address the equity gap. The purpose of this intervention is to increase the amount of equity finance available to growing SMEs to enable them to compete in a global economy and ensure that each region in England has access to a viable, regionally based venture capital fund. Scotland, Wales and Northern Ireland already have in place mechanisms for venture capital support.

The Government are seeking views from entrepreneurs, representatives of Small Firms, the venture capital and finance industries, Regional Development Agencies and business support organisations.

Copies of the consultation document have been placed in the Library. I look forward to receiving comments from those interested by 30 September.

Milk Marque

Mr. McNulty: To ask the Secretary of State for Trade and Industry when he intends to publish the MMC report on the Supply in Great Britain of raw cows' milk. [90250]

Mr. Byers: I have today published the MMC report on the supply in Great Britain of raw cows' milk.

I am requiring major changes to the conditions of sale of raw milk by the dominant supplier, Milk Marque, to prevent it from exploiting its monopoly position, but have rejected the MMC recommendation to enforce a break-up of Milk Marque.

The MMC have found that Milk Marque, which was responsible for nearly half of the raw milk sales in Great Britain in 1997–98, is exploiting its monopoly in the supply of raw milk, using a variety of practices which raise the price of raw milk. Consumers pay more for fresh milk than they should, and the competitiveness of the dairy processing sector is being damaged.

This is a thorough and detailed examination of Milk Marque's selling practices and their effects, and I accept the Commission's findings.

With regard to the remedies necessary to stop these damaging effects, the MMC have explored the possibilities of either reforming Milk Marque's auction sales system, or of restructuring of Milk Marque into several independent producer bodies. Both of these options present difficulties, as the MMC recognises.

The MMC recommends the restructuring of Milk Marque, by dividing it into independent and competing quota-holding bodies, able to sell their milk on an ordinary commercial basis and to engage in milk processing, that is the making of milk products, if they wish. I have not accepted this recommendation.

An imposed restructuring of Milk Marque would be a drastic step which would affect a large proportion of the farmers of England and Wales. I am also conscious that this remedy would take a considerable time to put fully into effect: perhaps as long as two years. This would itself introduce worrying uncertainties for the industry. There is a strong possibility that by the end of the period the market may have changed considerably. I believe a wider debate about the future of Milk Marque is appropriate, informed by the analysis provided by the MMC report.

In the meantime the raw milk market must continue to function, and it must do so on as fair a basis as possible. The report found that Milk Marque has been able to exploit its position by using its selling system to price discriminate and control the supply of milk available to the market. It is clear that Milk Marque must reform its sales procedures. I am therefore asking the Director General of Fair Trading to consider and advise me by the end of this year what changes should be made, after consulting with Milk Marque and its customers.

Milk Marque will be aware that from 1 March next year it will be subject to the prohibitions on anti-competitive behaviour and abuse of market power introduced under the Competition Act 1998. The DGFT will have interim relief powers to stop behaviour which is damaging third parties.

The MMC also recommends (paragraph 2.400 of the report) a number of interim remedies to prevent Milk Marque abusing its market power. I accept these recommendations.

I am aware that, in its recent auctions, Milk Marque has relied increasingly on sales on undisclosed contract terms to dispose of its milk. The undertakings I am seeking will apply to both auction and private sales.

The MMC have concluded that Milk Marque's planned increase in its milk processing capacity may be expected to operate against the public interest, by enhancing its ability to exploit its monopoly power.

Milk Marque, while it remains a monopoly supplier of raw milk to the processing sector, should not be allowed to extend its milk processing activities in this way. I am therefore also asking the Director General to seek undertakings from Milk Marque that it will not take any further steps towards making or carrying out any agreement to acquire or build processing plant without prior agreement by the Director General, as the MMC have recommended.

Copies of the report have been laid before Parliament.

Climate Change Levy

Mr. Jim Cunningham: To ask the Secretary of State for Trade and Industry if he will make a statement on progress made through negotiated agreements with energy intensive industries as part of the climate change levy to improve energy efficiency; and what measures his Department is taking to safeguard the international competitiveness of manufacturing firms in the United Kingdom. [89458]

Mr. Battle: The Department of the Environment, Transport and the Regions (DETR) is leading for the Government on the development of negotiated agreement with a number of energy intensive sectors. We have said that significantly reduced rates of the climate change levy will be available to those energy intensive sectors which enter negotiated agreements with the Government to deliver targets covering energy efficiency improvements and/or cuts in greenhouse gas emissions. The eligible sectors are those covered by the Integrated Pollution Prevention and Control regulations (IPPC). Negotiations are under way between DETR officials, with some assistance from DTI, and the sectors concerned. DETR initiated discussions with an initial group of the nine main energy intensive sectors following the budget, and is also now holding meetings with around twenty further sectors. The negotiations are progressing in a constructive manner. The aim is to have negotiated heads of agreement with proposed targets by the autumn, when the levels of discounts from the levy will be determined, taking account of the stringency of the targets offered.

The Government have previously stated that they aim to avoid taking action on climate change which damages business competitiveness. In this context, I welcome the

intention to recycle revenues from the climate change levy, primarily via reduced employers National Insurance Contributions, and also the promised support for promotion of energy efficiency and new and renewable energy technologies, as well as the special arrangements proposed for intensive energy sectors. DTI is contributing to interdepartmental discussions both on the development of the levy proposal and also on the draft national climate change strategy, which is intended for publication later this year for consultation, and which will set the broader policy framework for business's response to climate change.

It is the case that the UK is not alone in having to reduce greenhouse gas emissions or in using economic instruments to do so. Since 1990, seven European countries have introduced carbon or energy taxes. On current projections, most OECDS countries will have to introduce new measures of one form or another to meet their Kyoto targets.

Special Advisers

Mr. Don Foster: To ask the Secretary of State for Trade and Industry if he will list the subject and date of each written briefing prepared by his special advisers for all Labour Members since May 1997 and the total number and total cost to date of these. [89994]

Mr. Byers: Special Advisers are appointed under terms and conditions set out in the Model Contract for Special Advisers. Schedule 1, Part 1 of the Model Contract sets out the role and duties of Special Advisers. As well as research for Ministers and reviewing papers, contributing to policy planning within the Department and preparing policy papers, speechwriting and liaison with outside interest groups, their role explicitly includes liaising with the party and helping to brief party MPs. Records are not held of when such briefings are given. Similar arrangements have applied under successive Governments.

European Commission Communication

Mr. Gibb: To ask the Secretary of State for Trade and Industry if he will place a copy of the European Commission Communications on *(a)* the Environment and the Internal Market and *(b)* Mutual Recognition in the Library. [90090]

Mr. Wilson: The Commission Communications referred to are available in the Library under the Commission references 99/263 (10 June) and 99/299 (21 June) respectively. They can also be accessed electronically via the Commission website: (www.europa.eu.int/comm/index_en.htm).

CULTURE, MEDIA AND SPORT

EU Cultural and Audiovisual Meeting

Mr. Bercow: To ask the Secretary of State for Culture, Media and Sport if he will place in the Library a copy of the presentation on European identity given at the EU Weimar meeting on cultural and audiovisual issues; what is his policy on the issues raised; and if he will make a statement. [88464]

Mr. Alan Howarth: I will ensure that a copy of Jorge Semprun's Weimar speech is placed in the Libraries of the House. The meeting in Weimar underlined to those present the benefits which can accrue from learning the lessons of history and using culture as a means towards better mutual understanding between the peoples of Europe. Following the meeting in Weimar, the German Presidency presented a draft Council Resolution on integrating history into the European Community's cultural action. The Resolution was agreed unanimously at the Culture/Audiovisual Council in Luxembourg on 28 June, and a copy will be placed in the Libraries of the House when the final text is available.

EU Culture Council

Mr. Hood: To ask the Secretary of State for Culture, Media and Sport what was the outcome of the Culture Council held in Luxembourg on 28 June; and if he will make a statement. [89289]

Mr. Chris Smith: My hon. Friend the Minister for the Arts represented the United Kingdom at the Culture/Audiovisual Council held in Luxembourg on 28 June. The Council agreed a Common Position on the Culture 2000 funding programme. A Council Resolution on integrating history into the Community's cultural action was agreed, as was a decision on the appointment by the Council of the members of the selection panel for the Community action concerning the European Capital of Culture. There was an exchange of views on the cultural dimension of the Kosovo conflict. On audiovisual matters, Council conclusions on convergence and self-regulation in the media were agreed.

Television Licence Fee Evasion

Mr. Chope: To ask the Secretary of State for Culture, Media and Sport how many offences of television licence fee evasion were adjudicated upon in magistrates' courts in *(a)* England and *(b)* Wales during each of the last five years; what was the cost; what proportion of the cost was borne by (i) the magistrates' courts and (ii) the BBC; and what has been the amount of fines imposed. [89558]

Janet Anderson: The Home Office Court Proceedings database records prosecutions under the Wireless Telegraphy Acts. The great majority, but not all, of these relate to television licence fee evasion. The reporting of prosecutions where there has been no police involvement, as in this case, is known to be incomplete. Accurate information on the cost of prosecutions under the Wireless Telegraphy Acts is not available.

The number of defendants proceeded against at magistrates' courts in England and Wales for offences under the Wireless Telegraphy Acts from 1993–1997 was:

	Total proceeded against	*Total convicted*	*Total fined*	*Average fine, where imposed (£)*
England				
1993	182,738	157,959	154,205	113
1994	180,876	156,138	152,837	94
1995[1]	122,635	106,694	103,976	99
1996	174,956	153,753	151,079	102
1997	86,088	71,600	70,341	105

	Total proceeded against	Total convicted	Total fined	Average fine, where imposed (£)
Wales				
1993	12,130	10,747	10,560	95
1994	7,925	6,721	6,636	93
1995[1]	8,321	7,101	6,974	94
1996	13,162	11,103	10,913	96
1997	6,661	5,405	5,279	92

[1] In 1995, as a result of an error in data processing procedures, there was a shortfall in the recording of data for certain summary offences, including those under the Wireless Telegraphy Acts.

Libraries (Lottery Money)

Mr. Coaker: To ask the Secretary of State for Culture, Media and Sport how local authorities will obtain money made available through the National Lottery New Opportunities Fund to develop a public libraries IT network; and what plans he has to ensure that all public libraries will benefit from this money. [89470]

Mr. Alan Howarth: Guidance on applications for funding for the £20m ICT training programme for librarians and the £50m programme for creation of digitised learning material will shortly be issued by the New Opportunities Fund (NOF).

Guidance on applications for funding for infrastructure development, to be delivered through NOF's £200m Community Access To Lifelong Learning Programme, is likely to be issued at the end of this year.

Millennium Prayers

Mr. Letwin: To ask the Secretary of State for Culture, Media and Sport if he will take steps to facilitate the saying of prayers at midnight on 31 December 1999 in the Millennium Dome by the Archbishop of Canterbury. [89579]

Janet Anderson: The New Millennium Experience Company (NMEC) is responsible for the content and delivery of the opening celebrations at the Millennium Dome on 31 December. NMEC is discussing these arrangements with a number of interested parties including the Royal Household and Lambeth Palace, and the Government are kept fully informed of these discussions. The nature and scope of the celebrations will be announced in due course.

Preston Television Licensing Enquiry Office

Mr. Gordon Prentice: To ask the Secretary of State for Culture, Media and Sport how many successful prosecutions took place in the Preston Television Licensing enquiry office area for each year since 1992. [89550]

Janet Anderson: From April 1993, the Preston TV Licensing enquiry office (TVLEO) area also included Morecambe. From December 1996, the Preston TVLEO area was incorporated into TV Licensing's Northern Region; figures from 1996–97 onwards therefore relate to addresses with the PR postcode. The number of convictions for television licence evasion during the period in question was:

	Number of convictions
1992–93 (Preston TVLEO)	5,360
1993–94 (Preston TVLEO) including Morecambe	6,569
1994–95 (Preston TVLEO)	5,503
1995–96 (Preston TVLEO)	5,165
1996–97 (PR postcode)	1,058
1997–98 (PR postcode)	757
1998–99 (PR postcode)	522

Air Passenger Duty

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport what representations he has received from the tourism industry calling for *(a)* change to and *(b)* hypothecation of Air Passenger Duty. [89560]

Janet Anderson: We have had a number of representations on Air Passenger Duty either calling for change to, or a hypothecation of, the duty and these have been passed to the Treasury.

Heritage Buildings

Mr. Mackinlay: To ask the Secretary of State for Culture, Media and Sport what assessment he has made of the historic and architectural merit of surviving buildings from the British Empire Exhibition held at Wembley in 1923. [89193]

Mr. Alan Howarth *[holding answer 1 July 1999]:* Wembley Stadium and the Palace of Arts were added to the statutory list of buildings of special architectural or historic interest in Grade II in 1976. The other surviving buildings from the Exhibition were inspected by English Heritage in 1997, as a result of which the Palace of Industry was listed in Grade II.

Verulamium

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport what action his Department is taking to safeguard archaeological remains at Verulamium; what plans English Heritage has to secure a management agreement for the site; and if he will make a statement. [89405]

Mr. Chris Smith *[holding answer 2 July 1999]:* The site is protected as Scheduled Ancient Monument. English Heritage has commissioned a detailed survey which should provide the basis for discussions with the owners about implementing a new management plan for the site.

HOUSE OF COMMONS

Select Committees

Mr. Nigel Jones: To ask the President of the Council if she will propose the appointment of a select committee on young people and sport. [88499]

Mrs. Beckett: I have no plans to do so. Whilst the area is an important one, both the Culture, Media and Sport and the Education and Employment Committees are able to conduct inquiries into it.

Special Advisers

Mr. Don Foster: To ask the President of the Council if she will list the subject and date of each written briefing prepared by her special advisers for all Labour Members since May 1997 and the total number and total cost to date of these. [89997]

Mrs. Beckett: Special Advisers are appointed under terms and conditions set out in the Model Contract for Special Advisers. Schedule 1, Part 1 of the Model Contract sets out the role and duties of Special Advisers. As well as research for Ministers and reviewing papers, contributing to policy planning within the Department and preparing policy papers, speech writing and liaison with outside interest groups, their role explicitly includes liaising with the Party and helping to brief Party MPs. Records are not held of when such briefings are given. Similar arrangements have applied under successive Governments.

INTERNATIONAL DEVELOPMENT

Kosovo

Mr. Streeter: To ask the Secretary of State for International Development if her Department has funded non-Governmental organisations which have supplied out-of-date medicines to Kosovo. [89999]

Clare Short: We adhere to the World Health Organisation Guidelines on the donation of drugs, which require pharmaceutical donations to have a minimum of a year's shelf life and be provided against strict need assessment criteria. We have funded the provision of essential drugs in response to the Kosovar refugee crisis through the World Health Organisation itself and through reputable operational agencies which follow the guidelines.

Mr. Streeter: To ask the Secretary of State for International Development what data her Department has collated on possible breaches of regulations in respect of the supply of out-of-date medicines to Kosovo by British based non-Governmental organisations in the past three months. [90000]

Clare Short: The World Health Organisation leads on the collation of data with respect to the international guidelines for the donation of drugs. They have recently reported that up to 65 per cent. of drugs donated to Albania in May have a shelf life of less than a year. Over 100 non-governmental organisations, including British based NGOs, have been active in Albania as a result of the Kosovo crisis. It is likely that many of these are not aware of, or choose not to adhere to, the WHO guidelines. We provide funding for drugs only to NGOs who adhere to the guidelines.

Mr. Streeter: To ask the Secretary of State for International Development if she will hold an inquiry into the supply to Kosovar Albanians of obsolete medical supplies by non-Governmental organisations. [90001]

Clare Short: The World Health Organisation, the lead agency for medical supplies and assistance, have recently audited the provision of drugs to Albania during the refugee crisis. The results of the audit have been widely circulated. We have already made it clear that we will only fund the provision of essential drugs in response to assessed need in Kosovo and elsewhere, in line with the standards published by WHO.

European Development Fund Committee

Mr. Matthew Taylor: To ask the Secretary of State for International Development if she will list the voting allocations given to the members of the European Development Fund Committee. [89372]

Clare Short: Within the European Development Fund (EDF) Committee, the votes of the member states are weighted as follows:

Member state	*Votes*
Austria	6
Belgium	9
Denmark	5
Finland	4
France	52
Germany	50
Greece	4
Iceland	2
Italy	27
Luxembourg	1
Netherlands	12
Portugal	3
Spain	13
Sweden	6
United Kingdom	27

Mr. Matthew Taylor: To ask the Secretary of State for International Development what her Department's policy is on the proposed European Development Fund grant to support the Rehabilitation of Roads in Cameroon (PERFED II); and what discussions her officials have had on this proposal with other members of the European Development Fund Committee. [89373]

Clare Short: We support the maintenance of roads in the Cameroon. Improved rural roads can bring considerable benefits to the poorest, particularly those living in isolated rural communities. My officials are examining the European Development Fund project proposal to ensure that it meets our concerns over consultation, social and environmental impacts and capacity for ongoing maintenance. My officials have been in contact with the German Development Ministry (BMZ), who are the lead bilateral donors to the transport sector in the Cameroon. Their view is similar to ours.

Special Advisers

Mr. Matthew Taylor: To ask the Secretary of State for International Development on what dates Special Advisers from her Department have travelled abroad on official business since 2 May 1997; which countries were visited on each occasion; and what were the names of the Special Advisers who travelled on each occasion. [88437]

Clare Short *[holding answer 30 June 1999]:* For the period 2 May 1997 to 5 July 1999, Special Advisers in my Department have travelled overseas in an official capacity on 16 occasions to a variety of locations. The total cost of travel and accommodation was £33,285.00. All travel complied with the Ministerial Code and the Civil Service Management Code.

Mr. Don Foster: To ask the Secretary of State for International Development if she will list the subject and date of each written briefing prepared by her special advisers for all Labour Members since May 1997 and the total number and total cost to date of these. [89979]

Clare Short: Special Advisers are appointed under terms and conditions set out in the Model Contract for Special Advisers. Schedule 1, Part 1 of the Model Contract sets out the role and duties of Special Advisers. As well as research for Ministers and reviewing papers, contributing to policy planning within the Department and preparing policy papers, speechwriting and liaison with outside interest groups, their role explicitly includes liaising with the Party and helping to brief Party MPs. Records are not held of when such briefings are given. Similar arrangements have applied under successive Governments.

Market Research

Mr. Don Foster: To ask the Secretary of State for International Development if she will list the title and purpose of each item of market and opinion research commissioned by or through her Department, agencies and non-departmental public bodies since May 1997, stating in each case whether the results were published. [89685]

Clare Short: There are two relevant pieces of research:

a report was produced in October 1997 by Opinion Leader Research to explore public attitudes to international development issues. This was published on the Department for International Development (DFID) website;

in June 1999 a readership survey was carried out in relation to "Developments", a magazine produced by DFID to raise awareness of development issues. The results of this are still being analysed and have not been published.

Statutory Instruments

Dr. Fox: To ask the Secretary of State for International Development what percentage of statutory instruments introduced by her Department into Parliament in 1998 had the European Union as their legislative source. [89164]

Clare Short: None.

Sudan

Dr. Tonge: To ask the Secretary of State for International Development what aid is being delivered to the people of the Nuba Mountains region in Sudan. [89521]

Clare Short: UN and non-governmental organisations are delivering assistance to Government of Sudan controlled areas of the Nuba Mountains. They are also delivering more limited relief aid to Sudan Peoples' Liberation Army (SPLA) held areas, where access is a serious constraint.

A UN mission visited the Nuba Mountains region, including some SPLA controlled areas, from 21 to 26 June. The team's conclusion was that although there is no evidence of widespread famine, there is malnutrition among children and displaced people, and significant needs for water, health and basic education. The UN is negotiating with the parties to the conflict for improved access for relief supplies.

Serbia

Mr. Streeter: To ask the Secretary of State for International Development if, in the context of aid for Serbia, assistance to reconstruct a hospital is humanitarian assistance or reconstruction. [89973]

Clare Short: We will consider the provision of humanitarian assistance to Serbia on a case by case basis. We would assist with the provision of hospital facilities if they were an immediate humanitarian need which could not be met from other sources. We are not aware of any such needs.

FOREIGN AND COMMONWEALTH AFFAIRS

Millennium Compliance

Mr. White: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will publish information about preparations made by other countries to deal with the millennium bug. [90106]

Mr. Hoon: Action 2000 are summarising on their website information which is already publicly available from other countries' official Year 2000 web pages. This is designed to assist businesses by providing the information in one place. In addition the Government are in the process of gathering local information which will be placed on the FCO website.

Chile

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions his Department has held with the Government of Chile concerning *(a)* its legal process and *(b)* the immunity of members of the armed forces from prosecution. [88893]

Mr. Tony Lloyd *[holding answer 1 July 1999]:* We have not held discussions with the Government of Chile concerning these matters. My understanding is that members of the Chilean armed services do not have "immunity from prosecution" under Chilean law.

Ministerial Visits

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) on what dates Ministers in his Department plan to be absent from the office in 1999; [89615]

(2) if he will list the overseas visits proposed for *(a)* himself and *(b)* Ministers in his Department between 1 July and 1 December. [89614]

Mr. Robin Cook *[holding answer 2 July 1999]:* It is not possible to provide a definitive list as my visits programme is under constant review, but during the period 1 July-1 December 1999 I expect, on present plans, to make a number of visits to Finland, Brussels and Luxembourg on European Union business. I intend to visit New York for the United Nations General Assembly. I will be in attendance upon Her Majesty The Queen

during her State Visit to Ghana and Mozambique. I will visit South Africa for the Commonwealth Heads of Government meeting.

I, and Ministers in my Department, will also undertake a number of bilateral visits. Our bilateral programme is currently under consideration, but I am already committed to visit Estonia in July and Japan in September.

Vietnam

Mr. Reed: To ask the Secretary of State for Foreign and Commonwealth Affairs what reports he has received on the *(a)* persecution of the Hmong people in Vietnam and *(b)* migration of the Hmong peoples from their ancestral homelands; and what discussions he has had with his international counterparts about the protection of minorities in Vietnam. [89463]

Mr. Hoon: The Government receive regular reports from our Embassy in Hanoi of the persecution of Hmong Christians in Vietnam; and regularly raises human rights concerns with the Vietnamese Government.

The late Derek Fatchett raised our human rights concerns with the Vietnamese Foreign Minister during last year's ASEM II meeting in London, and again with the Vietnamese Ambassador earlier this year. The Embassy, together with other EU Embassies, regularly raises with the Vietnamese Government concerns about human rights, including on individual Hmong Christian detainees, and will continue to do so.

Solomon Islands

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with the Government of the Solomon Islands regarding the recent activities of the Guadalcanal Liberation Army. [89526]

Mr. Hoon: The British High Commissioner in Honiara has been in close contact with the Solomon Islands Prime Minister and Government since the escalation of the ethnic unrest. In response to requests from the Solomon Islands Prime Minister the Department for International Development is providing £50,000 to the Solomon Islands Red Cross to help displaced Malaitans and we are providing a vehicle to assist the Royal Solomon Islands Police Force. We are also exploring with EU partners the possibility of EU assistance.

National Minimum Wage

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the British embassies in which locally engaged staff are paid less than the UK national minimum wage. [89872]

Mr. Tony Lloyd *[holding answer 5 July 1999]:* This salary information is not held centrally and to provide it for 220 Diplomatic Posts worldwide would incur disproportionate cost.

The salary scales and conditions of service of locally engaged staff vary from country to country. Salary scales are set by reference to comparable employers based locally at a level which enables posts to recruit, retain and motivate suitable staff.

Yugoslavia

Mr. Bercow: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his policy towards the continuation of the trade embargos on the Federal Republic of Yugoslavia, indicating the proportion of global shipping that is subject to the stop and search regime. [89820]

Mr. Tony Lloyd: Our aim is to continue to use sanctions to maintain pressure for democratic reform in the Federal Republic of Yugoslavia. The search and visit regime prepared by NATO has not been put into effect following the termination of NATO's military action against the FRY.

Kashmir

Mr. Fabian Hamilton: To ask the Secretary of State for Foreign and Commonwealth Affairs what he is doing to assist the peoples of Kashmir to determine their own future. [89892]

Mr. Hoon: We believe that any solution, if it is to be permanent and acceptable, must involve, and reflect the views of, the people of Kashmir. Our role, and that of others who wish India and Pakistan well, is to encourage both countries to resolve, through dialogue, the issues between them.

Mr. Fabian Hamilton: To ask the Secretary of State for Foreign and Commonwealth Affairs what reports he has received concerning whether the current shelling in and around Kashmir was caused by infiltrators. [89891]

Mr. Hoon: We are clear that the current fighting, including shelling by both sides, in the Kargil sector of Jammu and Kashmir was instigated by the infiltration of a large number of armed personnel across the Line of Control.

Indian Ocean Territories

Mr. David Heath: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had with the Government of the United States of America on the future of the Indian Ocean territories. [89676]

Mr. Tony Lloyd: We hold annual bilateral talks at official level, with the United States, to discuss the British Indian Ocean Territory. This year they were held in May. At these talks both delegations agreed on the continuing strategic importance of the defence facility in Diego Garcia, including in operations against Iraq.

Helms Burton Act

Mr. Llwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations Her Majesty's Government have made to the United States administration on the effects of the Helms Burton Act on Cuba; and if he will make a statement. [89827]

Mr. Tony Lloyd: We have made it clear to the US that we entirely reject the use of extraterritorial legislation such as Helms Burton. We have consistently told the Americans that the best way of encouraging reform in Cuba is to convince the Cubans themselves, through dialogue and co-operation, of the need for change.

Chechnya

Sir Teddy Taylor: To ask the Secretary of State for Foreign and Commonwealth Affairs what reports he has received about the persecution and the resultant migrations of Christians in Chechnya. [89998]

Ms Quin: We are aware of unconfirmed reports that some Christians have left Chechnya. But we have no clear evidence to show whether this is as a result of persecution, or local political instability, or the collapse of social support structures in Chechnya. We are discussing the situation with NGO's connected to the region.

HOME DEPARTMENT

HM Prison Aldington

Mr. Coleman: To ask the Secretary of State for the Home Department what plans his Department has for Her Majesty's Prison, Aldington; and if he will make a statement. [89306]

Mr. Straw: Following a review of the projected future requirements of both the Prison Service and the Immigration Service, it has been agreed that Her Majesty's Prison, Aldington should be closed by the end of August 1999 and the site handed over to the Immigration Service to pursue its development as an Immigration detention centre.

Our plans are to redevelop the site under a form of private finance to provide at least 300 detention places with sufficient flexibility to accommodate males, females and families in a safe and secure environment by the spring of 2002. The opening of the Aldington site by the Immigration Service will enable detainees held in prisons elsewhere in the south to be placed in conditions better suited to their status and needs. It will also free much needed spaces in local prisons.

The Prison Service plans to redeploy the staff of the prison elsewhere within the Service. No compulsory redundancies of "mobile" grades are envisaged as a result of the closure of Aldington. Every effort will also be made to avoid redundancies for "non-mobile" grades. In addition to the employment opportunities arising from the construction of a new centre, we estimate that around 150 new jobs will be created once the facility is opened.

Statutory Instruments

Dr. Fox: To ask the Secretary of State for the Home Department what percentage of statutory instruments introduced by his Department into Parliament in *(a)* 1998, *(b)* 1992, *(c)* 1985 and *(d)* 1973 had the European Union as their legislative source. [89165]

Mr. Straw: The total number of Statutory Instruments (SIs) registered as General Instruments in 1998, 1992, 1985 and 1973 made by my Department is listed in the table. I have indicated, to the extent the information is available, the number which were made to comply with European Community obligations.

Year	*Number of SIs*	*Number implementing European Community obligations (where applicable)*
1998	118	1
1992	86	2
1985	84	—
1973	116	—

With regard to 1985 and 1973, it is not possible, without incurring disproportionate cost, to determine how many of these SIs were introduced to comply with European Community obligations.

The figures given exclude Statutory Instruments which deal with European Parliamentary elections since these do not give effect directly to a Community obligation.

Racial Discrimination

Ms Atherton: To ask the Secretary of State for the Home Department what representations he has received about persons who have not been racially discriminated against having the power to bring forward a complaint on the part of a group or individuals who have been victims of such discrimination. [89544]

Mr. Mike O'Brien: The question has been taken to mean "representative action". In this context, no representations have been received.

In the Commission for Racial Equality's Third Review of the Race Relations Act 1976, there were a large number of proposals for amending the Act. One of the proposals was that the Act should be amended to enable a court or tribunal to consider a complaint where the discrimination affects a number of people who wish to bring a group complaint, without the need for each person separately to bring proceedings. This proposal envisages "class action" and it, along with all the other proposals in the Commission's Review, is currently under consideration.

Highway Offences

Mr. Bradshaw: To ask the Secretary of State for the Home Department how many prosecutions there have been *(a)* for offences related to cycling and *(b)* for dangerous behaviour by pedestrians in the last five years. [89541]

Mr. Boateng: Available information on the number of defendants proceeded against for offences connected with pedal cycles is given in the table.

Number of defendants proceeded against at magistrates' courts for offences connected with pedal cycles, England and Wales 1993–97

	Persons proceeded against
1993	1,370
1994	1,129
1995	1,298
1996	1,513
1997	1,718

Information on the number of pedestrians prosecuted for highway offences are not identifiable separately within the Home Office Court Proceedings Database.

Parking Offences

Mr. Bradshaw: To ask the Secretary of State for the Home Department (1) how many spot fines have been levied by the police on motorists for *(a)* illegal parking and *(b)* parking on cycle lanes in the last five years; [89542]

(2) how many motorists have been prosecuted for *(a)* illegal parking and *(b)* parking on cycle lanes in the last five years. [89543]

Mr. Boateng: It is not possible to separately identify illegal parking on cycle lanes in the statistics collected centrally.

The table shows the number of proceedings at magistrates courts and the number of fixed penalty notices issued for all offences of obstruction, waiting and parking in England and Wales during the years 1993 to 1997. Statistics for 1998 are not yet available.

Proceedings at magistrates courts and fixed penalty notices issued for offences of obstruction, waiting and parking, England and Wales, 1993–97

Year	Number of proceedings at magistrates courts	Number of fixed penalty notices issued
1993	45,137	3,383,011
1994	32,111	2,698,349
1995	24,192	2,270,732
1996	23,348	2,282,481
1997	23,631	2,199,242

From 1994, local authorities were allowed to enforce parking controls within Special Parking Areas by parking attendants. The number of penalty charge notices issued was 1,706,000 in 1994; 3,148,000 in 1995; 3,523,000 in 1996; and 3,769,000 in 1997.

Personal Data

Mr. Cohen: To ask the Secretary of State for the Home Department what are the purposes of each order, currently under preparation, which will relate to the processing of personal data in accordance with the provisions in Schedules 2, 3 and 4 of the Data Protection Act 1998. [89652]

Mr. George Howarth: We are preparing an order under paragraph 10 of Schedule 3 to the Data Protection Act 1998 specifying additional circumstances in which sensitive personal data may be processed. We have no current plans to bring forward subordinate legislation made under any other provision of Schedules 2, 3 or 4 to the 1998 Act.

Asylum Applications

Mr. Coleman: To ask the Secretary of State for the Home Department how many asylum applications were processed in *(a)* January, *(b)* February, *(c)* March and *(d)* April from (i) Kosovo, (ii) Iraq and (iii) Somalia; how many of these were (1) agreed and (2) refused; and if he will make a statement. [89467]

Mr. Mike O'Brien: The available information is given in the table. I regret that it is not possible to separately identify Kosovans within the available statistics for the Federal Republic of Yugoslavia.

Initial decisions made on applications received for asylum in the United Kingdom [1,2] by type January to April 1999, nationals of the Federal Republic of Yugoslavia, Iraq and Somalia

	January 1999	February 1999	March 1999	April 1999
Federal Republic of Yugoslavia				
Total decisions	45	50	75	985
of which:				
Grants of asylum	*	10	10	805
Grants of ELR	—	—	—	—
Refusals	45	40	50	20
Grants of ELR under the backlog criteria[3,4]	*	*	15	160
Non compliance refusals under backlog criteria[3]	—	—	—	—
Iraq				
Total decisions	10	15	30	35
of which:				
Grants of asylum	*	*	10	10
Grants of ELR	5	*	10	15
Refusals	5	10	10	5
Grants of ELR under the backlog criteria[3,4]	—	—	—	—
Non compliance refusals under backlog criteria[3]	—	—	—	—
Somalia				
Total decisions	5	10	25	20
of which:				
Grants of asylum	*	5	5	5
Grants of ELR	*	*	—	—
Refusals	5	5	15	15
Grants of ELR under the backlog criteria[3,4]	—	—	5	5
Non compliance refusals under backlog criteria[3]	—	—	*	—

[1] Figures rounded to nearest 5, with '*' = 1 or 2
[2] Excluding dependants
[3] Cases decided under pragmatic measures aimed at reducing the pre 1996 asylum backlog
[4] May include a small number of cases where asylum has been granted

Prison Officers

Mr. Cox: To ask the Secretary of State for the Home Department if he will list each of the prisons in England and Wales where prison officers have been suspended for alleged assaults against prison inmates or for other breaches of prison rules; and how many officers at each prison have been suspended for these alleged offences in the last year. [89346]

Mr. George Howarth: The table shows in which prisons prison officer grades were suspended as at 1 July 1999.

Suspended prison officers in prisons in England and Wales

Prison	*Number*	*Alleged offence*
Bedford	1	Expenses fraud
Belmarsh	1	Sexual misconduct
Birmingham	1	Expenses fraud
Blundeston	1	Seeking loan from prisoner
Brinsford	1	Expenses fraud
Brixton	3	Favours for prisoners for monetary gain
Brockhill	2	Fraud
		Theft
Bullingdon	2	Assault on prisoner
		Confidentiality breach
Cardiff	1	Failure to get authority for relationship with prisoner
Castington	1	Assault on prisoner
Chelmsford	2	Preventing course of justice
		Assault
Coldingley	1	Expenses fraud
Cookham Wood	1	Sexual harassment, assault
Downview	2	Expenses fraud
		Money laundering and harbouring
Elmley	1	Improper relationship with prisoner
Everthorpe	1	Expenses fraud
Feltham	2	Assault on prisoner
Frankland	1	Possession of drugs
Full Sutton	3	Action that led to assault of prisoner by prisoners
Garth	2	Fraud
		Improper relationships with prisoner's wife
Gartree	1	Improper relationship with prisoner
Gloucester	1	Public order offence
Haverigg	1	Fraud
High Down	3	Assault on prisoner
		Sexual harassment
		Indecent assault
Highpoint	1	Misappropriation of funds
Hollesley Bay	1	Expenses fraud
Holloway	1	Indecent behaviour in front of prisoners
Hull	1	Harassment of staff; unnecessary force on prisoners
Lancaster Farms	1	Fraud
Latchmere House	1	Expenses fraud
Leeds	1	Possession of drugs
Long Lartin	1	Expenses fraud
Low Newton	1	Expenses fraud
Maidstone	2	Expenses fraud
		Racial comments
Manchester	6	Assault on prisoner
		Assault on wife
		Indecent assault on member of staff
		Sexual activity on duty
		Interfering with witnesses
		Bribery
Moorland	1	Expenses fraud
Norwich	1	Unlawful sale of goods
Nottingham	1	Falsely claiming sick
Parkhurst	1	Unlawful sexual intercourse
Pentonville	1	Indecent assault on minor
Portland	1	Assault
Send	2	Expenses fraud
		Releasing prisoner without authority
Shrewsbury	1	Harassment
Thorn Cross	1	Fraud
The Verne	1	Loss of keys
Wandsworth	3	Harassment of staff
		Theft
		Threatening behaviour to staff
The Weare	2	Expenses fraud
		Rape
Woodhill	4	Drug use
		Failed to give sample, criminal damage
		Failed to prevent assault on prisoner
		Deception
Wormwood Scrubs	26	Assault on prisoners x 25
		Aiding prisoner escape
Wymott	1	Expenses fraud

Sexual Offences (Children)

Mrs. Golding: To ask the Secretary of State for the Home Department how many cases of sexual offences against children *(a)* led to charges being preferred, *(b)* were prosecuted and *(c)* resulted in convictions in each year from 1989. [89581]

Mr. Boateng: Detailed information on the number of people charged is not collected centrally. We do have some information from the Home Office Cautions and Court Proceedings Databases, on the number of persons cautioned, proceeded against and convicted for sexual offences against children. This is given in the tables and is not comprehensive as it is not possible to identify all offences where the victim was under 16 years of age.

Table A: Number of offenders cautioned for sexual offences against children by type of offence, England and Wales, 1989–97

Offence description	*1989*	*1990*	*1991*	*1992*	*1993*
Buggery with a boy under the age of 16 or with a woman or an animal	39	59	49	30	27
Attempt to commit buggery with a boy under the age of 16 or with a woman or an animal	2	7	5	8	8
Buggery by a male of a male under 16[1]	—	—	—	—	—
Buggery by a male aged 21 or over with a male aged 16 or 17[1]	—	—	—	—	—
Buggery by a male aged 18–20 with a male aged 16 or 17[1]	—	—	—	—	—
Buggery by a male with a female under 16[1]	—	—	—	—	—
Buggery by a male aged 21 or over with a female aged 16 or 17[1]	—	—	—	—	—
Buggery by a male aged 18–20 with a female aged 16 or 17[1]	—	—	—	—	—
Indecent assault on male person under 16 years	157	221	199	209	184
Gross indecency by a male aged 21 or over with a male aged under 18[2]	—	—	—	—	—
Gross indecency by a male aged 18–20 with a male aged under 18[2]	—	—	—	—	—
Rape of a female aged under 16[1]	—	—	—	—	—
Rape of a male aged under 16[1]	—	—	—	—	—
Attempted rape of a female aged under 16[1]	—	—	—	—	—
Attempted rape of a male aged under 16[1]	—	—	—	—	—
Indecent assault on a female under 16	1,121	1,117	1,023	1,081	1,007
Unlawful sexual intercourse with girl under 13	83	72	63	59	67
Unlawful sexual intercourse with girl under 16	1,122	984	850	706	553
Incest with girl under 13	11	16	13	12	19
Inciting girl under 16 to have incestuous sexual intercourse	—	1	—	5	—
Householder permitting unlawful sexual intercourse with girl under 16	3	—	—	2	3
Person responsible for girl under 16 causing or encouraging her prostitution etc.	—	—	—	1	—
Male aged 21 or over procuring or attempting to procure a male under 18 of gross indecency with another male[2]	—	—	—	—	—
Abduction of unmarried girl under 16	3	7	3	3	3
Abduction of unmarried girl under 18	—	—	—	—	—
Gross indecency with boys aged 14 or under	44	53	41	46	56
Gross indecency with girls aged 14 or under	34	41	40	52	45

Table A: Number of offenders cautioned for sexual offences against children by type of offence, England and Wales, 1989–97

Offence description	*1994*	*1995*	*1996*	*1997*
Buggery with a boy under the age of 16 or with a woman or an animal	41	8	5	—
Attempt to commit buggery with a boy under the age of 16 or with a woman or an animal	6	1	1	—
Buggery by a male of a male under 16[1]	—	2	5	44
Buggery by a male aged 21 or over with a male aged 16 or 17[1]	—	1	—	1
Buggery by a male aged 18–20 with a male aged 16 or 17[1]	—	—	—	1
Buggery by a male with a female under 16[1]	—	1	1	1
Buggery by a male aged 21 or over with a female aged 16 or 17[1]	—	—	—	—
Buggery by a male aged 18–20 with a female aged 16 or 17[1]	—	—	—	1
Indecent assault on male person under 16 years	176	137	1[illegible]	102
Gross indecency by a male aged 21 or over with a male aged under 18[2]	—	4	4	11
Gross indecency by a male aged 18–20 with a male aged under 18[2]	—	—	—	3
Rape of a female aged under 16[1]	—	5	11	18
Rape of a male aged under 16[1]	—	—	—	3
Attempted rape of a female aged under 16[1]	—	2	4	3
Attempted rape of a male aged under 16[1]	—	—	—	—
Indecent assault on a female under 16	849	670	664	624
Unlawful sexual intercourse with girl under 13	45	41	40	16
Unlawful sexual intercourse with girl under 16	500	400	369	273
Incest with girl under 13	11	8	4	7
Inciting girl under 16 to have incestuous sexual intercourse	—	—	1	3
Householder permitting unlawful sexual intercourse with girl under 16	2	—	—	—
Person responsible for girl under 16 causing or encouraging her prostitution etc.	—	1	—	—
Male aged 21 or over procuring or attempting to procure a male under 18 of gross indecency with another male[2]	—	—	3	1
Abduction of unmarried girl under 16	5	2	2	2

Table A: Number of offenders cautioned for sexual offences against children by type of offence, England and Wales, 1989–97

Offence description	*1994*	*1995*	*1996*	*1997*
Abduction of unmarried girl under 18	—	—	—	—
Gross indecency with boys aged 14 or under	49	28	21	27
Gross indecency with girls aged 14 or under	36	30	33	37

[1] Buggery and attempted buggery offences under the Sexual offences Act 1956 S12 as amended by the Criminal Justice and Public Order Act 1994, S143

[2] Indecency between males offences under the Sexual Offences Act 1956 S12 as amended by the Criminal Justice and Public Order Act 1994, S144

[3] Rape and attempted rape offences under the Sexual Offences Act 1956 S1 as amended by the Criminal Justice and Public Order Act 1994, S142

Table B: Number of defendants proceeded against at magistrates' courts for sexual offences against children by type of offence, England and Wales, 1989–97

Offence description	*1989*	*1990*	*1991*	*1992*	*1993*
Buggery with a boy under the age of 16 or with a woman or an animal	281	327	300	329	294
Attempt to commit buggery with a boy under the age of 16 or with a woman or an animal	32	25	24	27	15
Buggery by a male of a male under 16[1]	—	—	—	—	—
Buggery by a male aged 21 or over with a male aged 16 or 17[1]	—	—	—	—	—
Buggery by a male aged 18–20 with a male aged 16 or 17[1]	—	—	—	—	—
Buggery by a male with a female under 16[1]	—	—	—	—	—
Buggery by a male aged 21 or over with a female aged 16 or 17[1]	—	—	—	—	—
Buggery by a male aged 18–20 with a female aged 16 or 17[1]	—	—	—	—	—
Indecent assault on male person under 16 years	553	570	522	457	432
Gross indecency by a male aged 21 or over with a male aged under 18[2]	—	—	—	—	—
Gross indecency by a male aged 18–20 with a male aged under 18[2]	—	—	—	—	—
Rape of a female aged under 16[3]	—	—	—	—	—
Rape of a male aged under 16[3]	—	—	—	—	—
Attempted rape of a female aged under 16[3]	—	—	—	—	—
Attempted rape of a male aged under 16[3]	—	—	—	—	—
Indecent assault on a female under 16	2,169	2,285	2,138	2,005	1,896
Unlawful sexual intercourse with girl under 13	139	146	155	112	97
Unlawful sexual intercourse with girl under 16	290	292	254	254	189
Incest with girl under 13	88	111	80	50	52
Inciting girl under 16 to have incestuous sexual intercourse	3	1	1	2	2
Householder permitting unlawful sexual intercourse with girl under 16	6	7	3	9	8
Person responsible for girl under 16 causing or encouraging her prostitution etc.	2	—	2	—	—
Male aged 21 or over procuring/attempting to procure a male under 18 of gross indecency with a male[2]	—	—	—	—	—
Abduction of unmarried girl under 16	16	12	20	24	13
Abduction of unmarried girl under 18	1	1	3	—	—
Gross indecency with boys aged 14 or under	130	156	117	131	102
Gross indecency with girls aged 14 or under	147	161	122	130	155

Table B: Number of defendants proceeded against at magistrates' courts for sexual offences against children by type of offence, England and Wales, 1989–97

Offence description	*1994*	*1995*	*1996*	*1997*
Buggery with a boy under the age of 16 or with a woman or an animal	345	125	16	—
Attempt to commit buggery with a boy under the age of 16 or with a woman or an animal	21	6	3	—
Buggery by a male of a male under 16[1]	—	48	66	107
Buggery by a male aged 21 or over with a male aged 16 or 17[1]	—	1	2	6
Buggery by a male aged 18–20 with a male aged 16 or 17[1]	—	—	—	3
Buggery by a male with a female under 16[1]	—	25	26	35
Buggery by a male aged 21 or over with a female aged 16 or 17[1]	—	2	—	1
Buggery by a male aged 18–20 with a female aged 16 or 17[1]	—	—	—	1
Indecent assault on male person under 16 years	449	400	325	373
Gross indecency by a male aged 21 or over with a male aged under 18[2]	—	10	9	30
Gross indecency by a male aged 18–20 with a male aged under 18[2]	—	—	1	3
Rape of a female aged under 16[3]	—	336	477	592
Rape of a male aged under 16[3]	—	18	20	45
Attempted rape of a female aged under 16[3]	—	32	44	74
Attempted rape of a male aged under 16[3]	—	—	4	5
Indecent assault on a female under 16	2,036	1,797	1,604	1,639
Unlawful sexual intercourse with girl under 13	88	77	40	40
Unlawful sexual intercourse with girl under 16	202	195	164	153
Incest with girl under 13	41	22	26	14
Inciting girl under 16 to have incestuous sexual intercourse	5	3	2	7
Householder permitting unlawful sexual intercourse with girl under 16	—	4	4	3

Table B: Number of defendants proceeded against at magistrates' courts for sexual offences against children by type of offence, England and Wales, 1989–97

Offence description	*1994*	*1995*	*1996*	*1997*
Person responsible for girl under 16 causing or encouraging her prostitution etc.	1	—	2	—
Male aged 21 or over procuring or attempting to procure a male under 18 of gross indecency with another male[2]	—	1	—	6
Abduction of unmarried girl under 16	27	11	9	6
Abduction of unmarried girl under 18	—	1	1	—
Gross indecency with boys aged 14 or under	87	62	61	63
Gross indecency with girls aged 14 or under	129	109	97	109

[1] Buggery and attempted buggery offences under the Sexual offences Act 1956 S12 as amended by the Criminal Justice and Public Order Act 1994, S143
[2] Indecency between males offences under the Sexual Offences Act 1956 S12 as amended by the Criminal Justice and Public Order Act 1994, S144
[3] Rape and attempted rape offences under the Sexual Offences Act 1956 S1 as amended by the Criminal Justice and Public Order Act 1994, S142

Table C: Number of offenders convicted[1] at all courts for offences against children by type of offence, England and Wales, 1989–97

Offence description	*1989*	*1990*	*1991*	*1992*	*1993*
Buggery with a boy under the age of 16 or with a woman or an animal	183	189	168	163	136
Attempt to commit buggery with a boy under the age of 16 or with a woman or an animal	26	18	26	17	20
Buggery by a male of a male under 16[2]	—	—	—	—	—
Buggery by a male aged 21 or over with a male aged 16 or 17[2]	—	—	—	—	—
Buggery by a male aged 18–20 with a male aged 16 or 17[2]	—	—	—	—	—
Buggery by a male with a female under 16[2]	—	—	—	—	—
Buggery by a male aged 21 or over with a female aged 16 or 17[2]	—	—	—	—	—
Buggery by a male aged 18–20 with a female aged 16 or 17[2]	—	—	—	—	—
Indecent assault on male person under 16 years	406	421	351	363	293
Gross indecency by a male aged 21 or over with a male aged under 18[3]	—	—	—	—	—
Gross indecency by a male aged 18–20 with a male aged under 18[3]	—	—	—	—	—
Rape of a female aged under 16[4]	—	—	—	—	—
Rape of a male aged under 16[4]	—	—	—	—	—
Attempted rape of a female aged under 16[4]	—	—	—	—	—
Attempted rape of a male aged under 16[4]	—	—	—	—	—
Indecent assault on a female under 16	1,657	1,537	1,469	1,331	1,205
Unlawful sexual intercourse with girl under 13	96	110	105	89	76
Unlawful sexual intercourse with girl under 16	262	304	223	218	170
Incest with girl under 13	100	84	68	52	51
Inciting girl under 16 to have incestuous sexual intercourse	5	3	3	3	2
Householder permitting unlawful sexual intercourse with girl under 16	3	5	1	3	6
Person responsible for girl under 16 causing or encouraging her prostitution etc.	1	2	2	—	1
Male aged 21 or over procuring or attempting to procure a male under 18 of gross indecency with another male[1][2]	—	—	—	—	—
Abduction of unmarried girl under 16	13	8	8	12	6
Abduction of unmarried girl under 18	1	—	—	—	—
Gross indecency with boys aged 14 or under	104	128	91	99	80
Gross indecency with girls aged 14 or under	115	148	128	129	123

Table C: Number of offenders convicted[1] at all courts for offences against children by type of offence, England and Wales, 1989–97

Offence description	*1994*	*1995*	*1996*	*1997*
Buggery with a boy under the age of 16 or with a woman or an animal	135	86	5	—
Attempt to commit buggery with a boy under the age of 16 or with a woman or an animal	16	14	2	—
Buggery by a male of a male under 16[2]	—	29	66	70
Buggery by a male aged 21 or over with a male aged 16 or 17[2]	—	2	3	6
Buggery by a male aged 18–20 with a male aged 16 or 17[2]	—	—	—	1
Buggery by a male with a female under 16[2]	—	7	17	21
Buggery by a male aged 21 or over with a female aged 16 or 17[2]	—	2	2	—
Buggery by a male aged 18–20 with a female aged 16 or 17[2]	—	1	—	—
Indecent assault on male person under 16 years	324	339	355	363
Gross indecency by a male aged 21 or over with a male aged under 18[3]	—	11	11	17
Gross indecency by a male aged 18–20 witn a male aged under 18[3]	—	—	—	2
Rape of a female aged under 16[4]	—	113	200	198
Rape of a male aged under 16[4]	—	2	13	24
Attempted rape of a female aged under 16[4]	—	21	35	52
Attempted rape of a male aged under 16[4]	—	2	2	2
Indecent assault on a female under 16	1,355	1,446	1,597	1,627
Unlawful sexual intercourse with girl under 13	64	81	54	44
Unlawful sexual intercourse with girl under 16	205	203	207	199

Table C: Number of offenders convicted[1] at all courts for offences against children by type of offence, England and Wales, 1989–97

Offence description	*1994*	*1995*	*1996*	*1997*
Incest with girl under 13	35	21	19	19
Inciting girl under 16 to have incestuous sexual intercourse	4	5	—	3
Householder permitting unlawful sexual intercourse with girl under 16	2	3	—	1
Person responsible for girl under 16 causing or encouraging her prostitution etc.	—	3	1	1
Male aged 21 or over procuring or attempting to procure a male under 18 of gross indecency with another male[3]	—	2	3	6
Abduction of unmarried girl under 16	9	6	3	1
Abduction of unmarried girl under 18	—	1	1	0
Gross indecency with boys aged 14 or under	77	56	53	56
Gross indecency with girls aged 14 or under	112	99	109	111

[1] Includes persons proceeded against in earlier years or for other offences
[2] Buggery and attempted buggery offences under the Sexual offences Act 1956 S12 as amended by the Criminal Justice and Public Order Act 1994, S143
[3] Indecency between males offences under the Sexual Offences Act 1956 S12 as amended by the Criminal Justice and Public Order Act 1994, S144
[4] Rape and attempted rape offences under the Sexual Offences Act 1956 S1 as amended by the Criminal Justice and Public Order Act 1994, S142

Child Prostitution

Mrs. Golding: To ask the Secretary of State for the Home Department how many children under 16 years of age have been charged with prostitution offences broken down by age in each year from 1989. [89582]

Mr. Boateng: Detailed information on the number of people charged is not collected centrally. Available information, taken from the Home Office Cautions and Court Proceedings Databases, on the number of persons aged under 16 cautioned or prosecuted for prostitution related offences is given in the table.

Number of offenders cautioned and defendants prosecuted in magistrates courts for prostitution related offences, England and Wales, 1989–97

	Aged 10		*Aged 11*		*Aged 12*		*Aged 13*		*Aged 14*		*Aged 15*	
	Caut.	*Proc.*	*Caut.*	*Proc.*	*Caut.*	*Proc.*	*Caut.*	*Proc.*	*Caut.*	*Proc.*	*Caut.*	*Proc.*
Kerb-crawling (Sexual Offences Act 1985 s1)												
Males												
1990	—	—	—	—	—	—	—	—	1	—	—	—
1996	—	—	—	—	—	—	—	—	—	—	1	—
1997	—	—	—	—	—	—	—	—	1	—	—	—
Females												
1993	—	—	—	—	—	—	—	—	—	—	—	1
Persons												
1990	—	—	—	—	—	—	—	—	1	—	—	—
1993	—	—	—	—	—	—	—	—	—	—	—	1
1996	—	—	—	—	—	—	—	—	—	—	1	—
1997	—	—	—	—	—	—	—	—	1	—	—	—
Persistent soliciting of women for the purpose of prostitution (Sexual Offences Act s2)												
Males												
1990	—	—	—	—	—	—	—	—	—	—	1	—
Females												
1996	—	—	—	—	—	—	—	—	—	—	2	—
Persons												
1990	—	—	—	—	—	—	—	—	—	—	1	—
1995	—	—	—	—	—	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—	—	—	—	2	—
Common prostitute loitering or soliciting for the purposes of prostitution (Street Offences Act 1959 s1)												
Males												
1990	—	—	—	—	—	—	—	—	—	1	—	1
1992	—	—	—	—	—	—	—	—	—	—	1	—
1995	—	—	—	—	—	—	—	—	—	—	1	1
Females												
1989	—	—	—	—	—	—	3	—	9	—	32	6
1990	—	—	—	—	2	—	3	—	13	1	19	3
1991	—	—	—	—	1	3	5	—	10	—	34	6
1992	1	—	—	—	1	1	1	—	6	1	41	10
1993	—	—	—	—	—	—	5	—	32	1	32	8
1994	—	—	—	—	1	1	5	3	19	5	25	14
1995	—	—	—	—	2	—	4	—	11	1	27	8
1996	—	—	1	—	1	—	5	—	16	—	31	6
1997	—	—	—	—	—	—	4	—	11	1	42	6

Number of offenders cautioned and defendants prosecuted in magistrates courts for prostitution related offences, England and Wales, 1989–97

	Aged 10		Aged 11		Aged 12		Aged 13		Aged 14		Aged 15	
	Caut.	Proc.	Caut.	Proc.	Caut.	Proc.	Caut.	Proc.	Caut.	Proc.	Caut.	Proc.
Persons												
1989	—	—	—	—	—	—	3	—	9	—	32	6
1990	—	—	—	—	2	—	3	—	13	2	19	4
1991	—	—	—	—	1	3	5	—	10	—	34	6
1992	1	—	—	—	1	1	1	—	6	1	42	10
1993	—	—	—	—	—	—	5	—	32	1	32	8
1994	—	—	—	—	1	1	5	3	19	5	25	14
1995	—	—	—	—	2	—	4	—	11	11	28	9
1996	—	—	1	—	1	—	5	—	16	—	31	6
1997	—	—	—	—	—	—	4	—	11	1	42	6
Male soliciting or importuning in public place for immoral purposes (Sexual Offences Act 1956 s32)												
1989	—	—	—	—	—	—	—	—	—	1	—	—
1991	—	—	—	—	—	—	—	—	—	—	1	—
1992	—	—	—	—	—	—	—	—	2	—	2	—
1993	—	—	—	—	—	—	—	—	3	—	—	1
1994	—	—	—	—	—	—	—	—	1	—	1	—

Note:
Years in which no cautions or prosecutions were reported to the Home Office have been excluded

Mrs. Golding: To ask the Secretary of State for the Home Department how many people were charged with living off the immoral earnings of child prostitutes in each year since 1989; and what was the average sentence for such offenders on conviction. [89583]

Mr. Boateng: Detailed information on the number of people charged is not collected centrally.

Although the Home Office Cautions and Court Proceedings Databases identify persons cautioned or proceeded against for offences of

"living off immoral earnings or exercising control over prostitute"

(S30 and S31 combined of the Sexual Offences Act 1956), they do not hold information on the age of the prostitute.

Passport Agency

Mr. Lidington: To ask the Secretary of State for the Home Department how many unprocessed passport applications were outstanding at each office of the UK Passport Agency and in total at the end of the week beginning 27 June. [89845]

Mr. Mike O'Brien *[holding answer 5 July 1999]:* The information requested on the number of unprocessed passport applications outstanding at the end of the week beginning 27 June is set out in the table.

Unprocessed passport applications outstanding end of week commencing 27 June 1999

	No.
London	11,026
Liverpool	174,422
Peterborough	95,852
Newport	119,544
Glasgow	124,374
Belfast	1,803
Total	527,021

Mr. John M. Taylor: To ask the Secretary of State for the Home Department if, during the present difficulties concerning passports, he will reintroduce the practice of making one-year passports available over the counter at post offices. [89461]

Mr. Mike O'Brien: No. A review by the Passport Agency in 1994 established that the one year's British Visitors Passport (BVP) was used in the evasion of immigration controls and by criminals, terrorists and football hooligans, and had been a cause of great concern to police and immigration authorities in this country and in Europe for some considerable time. The review also found that the BVP had a poor reputation and with the immigration pressures that other European Union governments were facing, the point had been reached when the BVP's flaws could no longer be tolerated. As a result, the Home Secretary announced on 20 December 1994, *Official Report*, columns *1214–15*, that the BVP would cease to be available after 31 December 1995.

The sound reasons for withdrawing the BVP are such that there is no case for its re-introduction.

Mr. Lidington: To ask the Secretary of State for the Home Department if he will make a statement on the criteria which he applied in awarding the Passport Agency's contract for passport-issuing arrangements to Siemens Business Services. [89974]

Mr. Mike O'Brien: The high level criteria applied in awarding the Passport Agency's contract for passport issuing arrangements were:

Security

Continuity of Service

Compatibility

Management Information Systems

Archive System

Commercial and Technical Criteria

Examining Support/Speed/Method/Customer Service

Evergreening

Cultural Compatibility.

Mr. Lidington: To ask the Secretary of State for the Home Department if he will list the dates, since 1 April 1998 when *(a)* Ministers and *(b)* the Chief Executive of the Passport Agency met trade union representatives to discuss the introduction of new passport-issuing arrangements; and if he will make a statement. [89977]

Mr. Mike O'Brien: Since 1 April 1998, meetings with trade union representatives to discuss various issues, which may have included the introduction of new passport issuing arrangements, have been held on the following dates:

With Ministers, on 19 October 1998, 15 March 1999, 27 May 1999 and 28 June 1999. A further meeting is scheduled for 8 July 1999. With the Chief Executive formally on 13 May 1998, 5 November 1998, 27 May 1999, 23 June 1999 and on an ad hoc basis on other occasions that are not formally recorded.

Mr. Lidington: To ask the Secretary of State for the Home Department what representations he has received from the Civil Service trade unions since 1 April 1998 about the introduction and implementation of new passport issuing arrangements. [89978]

Mr. Mike O'Brien: I have met with the trade unions on four occasions since 1 April 1998 to discuss staffing issues, including the introduction and implementation of new passport issuing arrangements, in order to understand the trade unions' views and, where necessary, bring them to the attention of the Chief Executive of the United Kingdom Passport Agency. In early April 1999, I agreed that 300 extra staff should be recruited.

Mr. Lidington: To ask the Secretary of State for the Home Department how many staff at each passport office have transferred to Siemens Business Services. [89976]

Mr. Mike O'Brien: On 5 October 1998, 100 United Kingdom Passport Agency staff at Liverpool Passport Office (82 full time equivalents) transferred to Siemens Business Services.

On 16 November 1998, 96 staff at Newport Passport Office (76 full time equivalents) transferred to Siemens Business Services.

Mr. Lidington: To ask the Secretary of State for the Home Department if he will list his original target dates for the introduction of new passport-issuing arrangements at the *(a)* London, *(b)* Belfast, *(c)* Glasgow and *(d)* Peterborough offices of the Passport Agency and the dates when he decided not to implement those targets. [89975]

Mr. Mike O'Brien: In order of implementation of the new system, the original target dates were:

Target date	*Passport Office*
7 December 1998	Peterborough
18 January 1999	Glasgow
8 February 1999	Belfast
22 February 1999	London

The decision not to implement the system beyond the multi site pilot at Liverpool and Newport was taken on 18 November 1998.

Mr. Beggs: To ask the Secretary of State for the Home Department if he will list the contracts awarded in relation to computerisation of the Passport Agency, indicating in each case to whom it was awarded and on what date. [89882]

Mr. Mike O'Brien: Contracts were awarded to Siemens Business Services and The Stationery Office (now Security Printing and Systems Ltd.) on 9 July 1997 and 13 June 1997 respectively.

Visitor Processing

Mr. Gordon Prentice: To ask the Secretary of State for the Home Department what estimate he has made of the cost of installing and operating a system of recording the entry and departure of visitors to the United Kingdom. [89829]

Mr. Mike O'Brien: We estimate that the additional staffing costs at ports would be about £10 million per annum in order to support a system of recording the entry and departure of all visitors. There would also be further significant cost implications for enhancement of the present record systems.

Miss Sokcevic

Mr. Rendel: To ask the Secretary of State for the Home Department when the travel documents for Miss Sokcevic (Immigration Reference No. S797486) will be produced. [89862]

Mr. Mike O'Brien: The document was issued on Friday 2 July.

Prisons (Mothers and Children)

Angela Smith: To ask the Secretary of State for the Home Department when the report of the review of principles, policies, and procedures relating to mothers and babies/children in prison will be published. [90056]

Mr. Straw: The Prison Service report of the review of principles, policies and procedures on mothers and babies/children in prison is published today and copies have been placed in the Library. There are 62 recommendations. The report concludes that the overriding principle guiding the provision of, and allocation of places in, mother and baby units should be in the best interests of the child. The Director General of the Prison Service accepts and welcomes the report and that conclusion specifically. A full action plan, setting out how it proposes to proceed on each of the recommendations will be published soon. A copy of that action plan will be placed in the Library.

EU Corruption

Mr. Mitchell: To ask the Secretary of State for the Home Department, pursuant to his answer of 11 June 1999, *Official Report*, column *435*, concerning the European Union Convention concerning corruption involving its officials, what parliamentary consideration it received. [88678]

Kate Hoey: The draft Convention and an Explanatory Note were sent to the House of Commons Select Committee on European Legislation, the House of Lords Select Committee on European Legislation and the Home Affairs Committee on 8 May 1996. The House of Lords Select Committee cleared the draft Convention from scrutiny on 6 June 1996. The House of Commons Select Committee did not have a formal role in the scrutiny of proposals falling under the Third Pillar (Justice and Home Affairs) until 17 November 1998.

Asylum Seekers (Benefits)

Mr. Brooke: To ask the Secretary of State for the Home Department what action his Department is taking to ensure

that persons who have applied in time for renewal of exceptional leave to remain are not denied benefits due to delays in processing their applications. [90239]

Mr. Straw: Responsibility for deciding who is eligible to receive benefits is a matter for the Department of Social Security and the Benefits Agency. An official in the Integrated Casework Directorate wrote to the Chief Executive of the Benefits Agency on 27 April to clarify the immigration status of such applicants. In immigration law, provided a person with leave to remain applies for an extension before that leave expires, that person may remain lawfully in the United Kingdom after expiry of that leave until the application is decided, and of course beyond that date if the application is granted. The Chief Executive was advised that provided persons seeking benefits produced evidence to Benefits Agency staff that they had submitted an application for extension of leave before it had expired, then Benefits Agency staff could assume that they were here lawfully.

It was suggested that the Chief Executive might wish to circulate this information widely among Benefits Agency staff, as the Immigration and Nationality Directorate were aware that some applicants were being refused benefits although they had submitted an application for an extension before expiry of their permitted leave.

The delay in dealing with some applications owing to the reorganisation of the Immigration and Nationality Directorate is regretted. However, the situation is improving and output from the Integrated Casework Directorate has now recovered to about 80 per cent. of the level achieved during last year.

European Elections

Mrs. Browning: To ask the Secretary of State for the Home Department what was the cost of instruction material provided to *(a)* polling clerks and *(b)* returning officers for the European Elections on 10 June. [89972]

Mr. George Howarth: The cost of the training programme for electoral staff for the European Parliamentary elections was £4 million. Much of the material produced for returning officers and presiding officers was common to both so it is not possible to cost these elements separately.

In addition, the Home Office produced a guidance manual for returning officers. The production and distribution costs were approximately £3,500.

Mr. Burstow: To ask the Secretary of State for the Home Department (1) what consultations his Department carried out with organisations representing blind and visually-impaired people before publishing and distributing literature on the new proportional representation system for the 1999 European elections; [89748]

(2) for what reason his Department's leaflet explaining the new proportional representation system for the 1999 European elections was not available in large print; [89749]

(3) what steps his Department took to ensure that blind and visually impaired people were aware that his Department's leaflet explaining the new proportional representation system for the 1999 European elections was available in Braille and audio-cassette. [89750]

Mr. George Howarth: The Government's explanatory leaflet was produced using 14-point type which is the Royal National Institute for the Blind's (RNIB) minimum recommended size to make the text accessible to visually impaired people. The text of the leaflet was also included on teletext where it is normally possible to enlarge the text size.

It is made clear in the leaflet that it was available in Braille and audio-cassette forms. In addition, advertisements about the leaflet were taken in seven RNIB publications. A press notice about the leaflet was sent to 40 disability oriented publications.

Special Advisers

Mr. Don Foster: To ask the Secretary of State for the Home Department if he will list the subject and date of each written briefing prepared by his Special Advisers for all Labour Members since May 1997 and the total number and total cost to date of these. [89985]

Mr. Straw: Special Advisers are appointed under terms and conditions set out in the Model Contract for Special Advisers. Schedule 1, Part 1 of the Model Contract sets out the role and duties of Special Advisers. As well as research for Ministers and reviewing papers, contributing to policy planning within the Department and preparing policy papers, speechwriting and liaison with outside interest groups, their role explicitly includes liaising with the party and helping to brief party Members of Parliament. Records are not held of when such briefings are given. Similar arrangements have applied under successive Governments.

European Council (Tampere)

Mr. Mitchell: To ask the Secretary of State for the Home Department, pursuant to his answer of 8 June 1999, *Official Report*, column 9, concerning the agenda items and related documents to be discussed at the additional European Council to be held in Tampere, Finland, in October, to consider the European Judicial Area, what criteria were used to determine which documents are inappropriate for publication; and what committees of either House of Parliament will be able to consider those published prior to that council meeting. [88690]

Kate Hoey: The draft Convention and an Explanatory Note were sent to the House of Commons Select Committee on European Legislation, the House of Lords Select Committee on European Legislation and the Home Affairs Committee on 1 June 1995. The House of Lords Select Committee cleared it from scrutiny on 13 June 1995.

Prior to ratification of the Convention, the instrument of ratification is drafted, signed by the Secretary of State for Foreign and Commonwealth Affairs, sealed, bound and deposited with the Secretary General of the Council of the European Union.

Styal Prison (Babies' Diet)

Dr. Vis: To ask the Secretary of State for the Home Department what the daily allowance of fresh fruit and vegetables is for babies in Styal Prison. [89345]

Mr. George Howarth: There is no specific allowance. Mothers in the mother and baby unit at Styal select and order ingredients for their children's meals from a list of available items and prepare them individually to suit the particular child. Fresh fruit and vegetables are always available.

Police Manpower (Costs)

Mr. Woolas: To ask the Secretary of State for the Home Department if he will estimate the cost of increasing police force strength by 6,000 officers. [89360]

Mr. Boateng: The estimated annual cost of 6,000 additional constables would be around £150 million.

Ministers have no direct control over police numbers. Under legislation passed by the previous Government in 1994, it is for individual chief constables to determine the numbers of officers in their forces on the basis of the resources made available to them.

Election Information

Mr. Woolas: To ask the Secretary of State for the Home Department what plans he has to publish election information material in large print for partially-sighted people. [89374]

Mr. George Howarth: The Government recognise the importance of ensuring that visually impaired voters receive accessible information. We are currently reviewing our guidance on access by disabled people to electoral services following a recommendation in last year's interim report of the Working Party on Electoral Matters, which I am chairing, and will of course continue to keep under review the size of print in which future election material is produced.

Young Offenders

Mr. Gordon Marsden: To ask the Secretary of State for the Home Department what assessment he has made of the level of re-offending among those young offenders who are released on bail. [89363]

Mr. George Howarth: Home Office research in 1997 found that 38 per cent. of juveniles bailed by the police or courts committed offences while on bail. The relevant report is in the Library: Home Office Research and Statistics Directorate Research Findings No 72, "Offending on bail and police use of conditional bail 1998".

The Government have since made up to £35 million available to the Youth Justice Board for England and Wales for bail support and supervision schemes and other remand-related initiatives. Together with the Board and local youth justice services, they are also taking steps to speed up the operation of the youth justice system, which would reduce time spent on bail.

Metropolitan Police Commissioner

Mr. Gordon Prentice: To ask the Secretary of State for the Home Department what selection criteria are used in determining the appointment of the Metropolitan Police Commissioner. [89561]

Mr. Straw: An advertisement inviting applications for the post of Commissioner of Police of the Metropolis was placed in the Police Review on 4 and 11 June. The advert invited applications from serving chief constables, equivalent police ranks and above.

Shortlisting and interviews will be conducted in July by a panel chaired by my Permanent Secretary, David Omand and three members: Sir John Quinton, Chair of the Metropolitan Police Committee, Sir Roger Hurn, Chairman of GEC and Sylvia Denman CBE, Chair of Camden and Islington Health Authority.

The selection criteria for the new Commissioner will be based on the competency framework which was developed for the selection of chief officers of police in England and Wales using accepted techniques of job analysis. The competencies sought will include: judgment, self confidence, strategic perspective, achievement focus, communication, effective action on diversity, building teams and influencing others, building upon the professional experience of policing that the candidates will have already demonstrated.

I will make the final selection based on the advice of the selection panel. I intend to announce the name of the successful candidate in August or early September this year. The successful applicant will be appointed in good time to replace the existing Commissioner who retires in January 2000. The appointment is expected to be for a term of five years.

HEALTH

Social Workers

17. **Mr. McCabe:** To ask the Secretary of State for Health what plans he has to improve the professional qualifications of the social care workforce. [88254]

Mr. Hutton: We are committed to improving the education and training of the social care workforce, and the Government's specific proposals were outlined in the White Paper "Modernising Social Services." We are currently considering the outcome of the second stage of a fundamental review of the Central Council for Education and Training in Social Work. This review has addressed in detail the widespread concerns about the quality of training leading to professional qualifications in social work. We hope to be able to make an announcement as to the findings of this review and its implications for improving professional social work education and training later this year.

Carlisle Hospital

18. **Mr. Martlew:** To ask the Secretary of State for Health when the new district general hospital in Carlisle will be completed. [88255]

Mr. Denham: The contractual completion date is May 2000.

Artificial Limbs

19. **Dr. Julian Lewis:** To ask the Secretary of State for Health if he will make a statement on the extent of the choice of types of artificial limb available to NHS patients. [88256]

Mr. Hutton: The range of limbs and components available on the NHS Supplies contract is extensive and includes virtually all the products available. Health authorities can, however, provide a product outside the range generally available if clinicians judge that there is a clinical need to do so.

Merton, Sutton and Wandsworth Health Authority

20. **Mr. Brake:** To ask the Secretary of State for Health if he will make a statement on the financial position of the Merton, Sutton and Wandsworth health authority. [88257]

Mr. Denham: Merton, Sutton and Wandsworth Health Authority has an allocation for 1999–2000 of £423 million, a 6.35 per cent. cash increase over last year. The Health Authority is forecasting a small surplus this year.

Mental Health Services

21. **Dr. Iddon:** To ask the Secretary of State for Health what improvements he proposes to make to the quality and provision of mental health services. [88258]

Mr. Hutton: The National Service Framework, to be published shortly, will set national standards and issue clear and robust guidance that will seek to address regional variations in the provision of clinical and cost effective treatments through the publication of service standards. The Framework will focus on consistent, quality care delivered by safe, sound and supportive services.

Mr. Sawford: To ask the Secretary of State for Health how many intensive care beds were available to admit new patients detained under the Mental Health Acts on 16, 17 and 18 May. [88829]

Mr. Hutton: The Department does not collect information on the number of available beds on a daily basis. It requests data on the availability and occupancy of National Health Service beds in mental illness wards and, by way of the central return KH03, produces information on an annual basis from each NHS trust.

Personal Social Services

22. **Mr. Rammell:** To ask the Secretary of State for Health if he will make a statement on the increase in gross expenditure in England on personal social services in the last year. [88259]

Mr. Hutton: The level of expenditure on personal social services is set by local authorities. Gross expenditure on personal social services in England in 1997–98 was £9,984 million, an increase of £721 million or just under 8 per cent. compared to 1996–97. Gross expenditure figures for later years are not available.

Health Inequalities

23. **Ms Dari Taylor:** To ask the Secretary of State for Health what assessment his Department has made of current levels of health inequalities in England. [88260]

Ms Jowell: Reducing health inequalities is one of the main aims of our health strategy and a shared national priority for health and social services. My right hon. Friend the Secretary of State appointed Sir Donald Acheson to lead an independent inquiry into inequalities in health which, among other things, reviewed the latest available information and summarised the evidence of inequalities. Sir Donald's report, published last November, has assisted the development of our health strategy which we shall be publishing as a White Paper, together with a report on action being taken across Government to reduce inequalities in health.

Modernisation Fund

24. **Mrs. Virginia Bottomley:** To ask the Secretary of State for Health what change there has been in the level of the NHS Modernisation Fund in the past year; and how much of the outgoings has been spent on waiting lists, capital investment, education, staff training, primary care and mental health. [88261]

Mr. Denham: This is the first year of the Modernisation Fund. It has been earmarked for modernising and developing the National Health Service.

Over £1.2 billion has been allocated in 1999–2000. This includes:

£320 million to help tackle waiting in the NHS;

£170 million for capital investment, including £100 million from the Treasury Capital Modernisation Fund;

£120 million to expand education and training opportunities for doctors and nurses;

£320 million for Primary Care, including £54 million for the establishment of NHS Direct; and

£50 million for mental health services.

Tobacco Advertising

25. **Mr. Burgon:** To ask the Secretary of State for Health what period of consultation he proposes on the draft Tobacco (Prohibition of Advertising and Promotion) Regulations. [88263]

Ms Jowell: There will be eight weeks of public consultation on the draft regulations and accompanying draft Regulatory Impact Assessment. The consultation paper was published on 17 June and consultation will end on 13 August.

Cancer

26. **Mr. Jim Cunningham:** To ask the Secretary of State for Health what plans he has for introducing a national cancer action team for the NHS. [88264]

Mr. Hutton: The establishment of a national Cancer Action Team was announced by my right hon. Friend the Prime Minister on 20 May 1999, *Official Report*, columns *401–02*, as part of a plan of action to tackle cancer and save lives. The Team will work with the National Health Service and other key organisations to raise the standard

of cancer care in all our hospitals to that which is already being achieved in our best. The Director of the Cancer Action Team will take up post in July.

Mr. Paul Marsden: To ask the Secretary of State for Health what assessment he has made of the psychological problems suffered by cancer patients; and if he will make a statement. [89097]

Mr. Hutton: Psychological problems suffered by cancer patients have been extensively researched. The need for psychological support for cancer patients was acknowledged in the "Policy Framework for Commissioning Cancer Services" published by the Department in 1995 (the Calman-Hine report). The Joint Collegiate Council for Oncology in May 1996 issued guidance to doctors on psychological support services for cancer patients and their families. The importance of psychological support has also been encompassed in the series "Improving Outcomes in Cancer" published by the National Health Service Executive since 1996.

Dr. Tony Wright: To ask the Secretary of State for Health what evidence he has assessed on the usefulness of gemcitabine in treating patients with cancer of the pancreas; and how many health authorities are funding this treatment. [89082]

Mr. Hutton: Gemcitabine is licensed by the Medicines Control Agency (MCA) for palliative treatment of advanced non-small cell lung and pancreas cancers. The MCA licenses drugs on the basis of quality, safety and efficacy. We do not have central information on which health authorities authorise hospitals to prescribe gemcitabine.

Mr. Paul Marsden: To ask the Secretary of State for Health (1) if he will commission a study into the impact on long-term survival rates for cancer patients of using the latest chemotherapy drugs; and if he will make a statement; [84237]

(2) if he will commission a study into the relative cost effectiveness of using *(a)* drugs, *(b)* surgery, *(c)* chemotherapy, *(d)* radiography and *(e)* other methods in the treatment of cancers; and if he will make a statement. [84242]

Mr. Hutton: The Department and the Medical Research Council, which receives its grant in aid from the office of my right hon. Friend the Secretary of State for Trade and Industry, are already funding studies which evaluate the effectiveness of treatments for individual cancers. Details of projects supported by the Department can be found on the National Research Register available in the Library or on www.doh.gov.uk/nrr.htm.

The National Institute for Clinical Excellence will also appraise the effectiveness of specific cancer drugs for use in the National Health Service.

Mr. Paul Marsden: To ask the Secretary of State for Health (1) what assessment he has made of the findings of the report, "The Case for an Increase in Oncology Drug Expenditure in the UK", by the Campaign for Effective and Rational Treatment, a copy of which has been sent to him; and if he will make a statement; [84246]

(2) what guidance he has given to health authorities on oncology drug spending following the publication of the report by CERT on oncology drug expenditure in the UK; and if he will make a statement. [86624]

Mr. Hutton: We are committed to equitable access to high quality care and have made the treatment of cancer one of our first priorities. Treatment decision, including the use of chemotherapy, should be evidence based and agreed jointly between doctor and patient. We will consider carefully the information contained in the Campaign for Effective and Rational Treatment report as we take forward work to reduce variations in cancer care across the country.

Mr. Paul Marsden: To ask the Secretary of State for Health if he will list those cancer treatment drugs most effective in treating each type of cancer in the past year. [84417]

Mr. Hutton: The British National Formulary lists all cancer drugs used for cancer treatment and side effects. It is for clinicians to decide the most appropriate and most effective treatment for individual patients.

Mr. Paul Marsden: To ask the Secretary of State for Health how the Cancer Beacon will be assessed in terms of raising standards in cancer care; and if he will make a statement. [89071]

Mr. Hutton: The eight Cancer Beacons announced on 23 June are part of a wider programme to raise the quality of care provided by the National Health Service. Over the first two years, Cancer Beacons will focus on improving cancer care by demonstrating examples of a quality service. Each Cancer Beacon will receive £50,000 over two years to enable them to share good practice through networks and events organised through the NHS, such as exchange visits, open days and a new national 'service delivery practice' database on the NHS web to which all NHS organisations will have access. Cancer Beacons will agree with NHS Executive Regions on the education arrangements and dissemination of messages about their service and will produce an annual report on progress.

Mr. Paul Marsden: To ask the Secretary of State for Health if he will list the health authorities which authorise GPs to prescribe *(a)* Irinorelbine for the treatment of lung cancer, *(b)* Irinotecan for the treatment of colorectal cancer and *(c)* Paclitaxel for the treatment of ovarian cancer. [89096]

Mr. Hutton: All cytotoxic chemotherapy drugs for the treatment of cancer are prescribed by hospital specialists and not by general practitioners in the community. We do not have central information on which health authorities authorise hospitals to prescribe these drugs. Irinorelbine has not yet been licensed by the Medicines Control Agency so we would expect it to be used only in the context of clinical research.

Nurses

27. **Mr. Shaw:** To ask the Secretary of State for Health what steps he is taking to encourage nurses to return to the NHS. [88265]

Mr. Denham: The Government are supporting a number of initiatives to encourage nurses to return to practice in the National Health Service.

On 1 February, my right hon. Friend the Secretary of State announced a £5 million nursing recruitment campaign outlining improved pay and conditions for nurses and targeting, in particular, trained nurses who are no longer working in the NHS. The campaign attracted a very encouraging response with over 53,000 inquiries, 5,000 of which were from potential returners. Since the campaign began, over 1,000 nurses have returned to employment in the NHS, in England.

Doctor Training

28. **Mrs. Gilroy:** To ask the Secretary of State for Health if he will make a statement about his plans to increase the number of medical doctors in training. [88266]

Mr. Denham: In July 1998 the Government accepted the proposal to increase medical student intake in the United Kingdom by about 1,000 places per year. 842 additional places have already been announced for medical students in England, with more to be allocated in due course. Numbers of postgraduate medical trainees are also increasing.

Government Policies

29. **Dr. Harris:** To ask the Secretary of State for Health what steps the Government are taking to explain their policies to the medical profession. [88267]

Mr. Denham: We are committed to effective communications with all stakeholders of the National Health Service. Members of the ministerial team and officials meet representatives of all health professions frequently. Specific examples of policy communications this year include: Primary Care Groups which involved the medical profession attending meetings, seminars and a major national conference on 13 April—"Primary Care: Turning the Vision into Reality"; "Primary Care Trusts: Establishing Better Services" provides answers to some of the initial questions about the establishment of Primary Care Trusts; "Clinical Governance: Quality in the New NHS" contains proposals for making quality of care the driving force for the development of health services in England; and "Working Together", a framework to secure a quality workforce.

Waiting Lists

30. **Mr. David Davis:** To ask the Secretary of State for Health what arrangements are being made independently to audit the relevance and accuracy of NHS waiting list figures. [88268]

Mr. Denham: The management processes which support data management and their data outputs, including National Health Service waiting list data, are independently audited within Data Accreditation, which was launched in August 1997. Data Accreditation is currently voluntary but it is intended that elements of it should become mandatory from April 2000.

Departmental statisticians working to their professional code of practice also carry out regular reviews of the needs for the statistics collected, which include the relevance of the data, and carry out validation checks on waiting list data before they are published.

Dental Services

32. **Mr. Beard:** To ask the Secretary of State for Health when the Government will publish their strategy on NHS dentistry. [88270]

Mr. Denham: The Government's strategy on National Health Service dentistry will be published later this year.

Lancashire Health Authority

33. **Mr. Jack:** To ask the Secretary of State for Health what increase in revenue provision he is planning for Lancashire health authority for 2000–01. [88271]

Mr. Denham: Announcements on the unified allocations to health authorities for 2000–01 will be made later this year.

Millennium Emergency Cover (Merseyside)

34. **Maria Eagle:** To ask the Secretary of State for Health what steps he has taken to ensure that NHS trusts in Liverpool are able to meet the challenge of providing emergency cover over the millennium period. [88272]

Mr. Denham: A Liverpool and North Mersey Emergency Services Action Group has been established to develop further a whole system strategy for primary and secondary services across Liverpool and North Merseyside to ensure that health authorities, National Health Service trusts and general practitioners work together cohesively and make best use of available resources during next winter and the millennium holiday period. Additionally, NHS Direct, the telephone advice service, is expected to be fully operational in Liverpool and North Merseyside in December and this will provide additional support to enable health care systems across Liverpool and North Merseyside to cope better next winter.

Private Health Care

35. **Ms Keeble:** To ask the Secretary of State for Health what action he is taking to ensure the effective regulation of private health care. [88273]

Mr. Denham: I refer my hon. Friend to the oral answer given to my hon. Friend the Member for Welwyn Hatfield (Miss Johnson) today.

Smallpox

36. **Mr. Dalyell:** To ask the Secretary of State for Health if he will make a statement on his Department's policy on the retention of samples of smallpox-related material. [88274]

Ms Jowell: I shall let my hon. Friend have a reply as soon as possible.

Casualty Services

37. **Mr. Anthony D. Wright:** To ask the Secretary of State for Health how many casualty modernisation schemes are planned this year. [88275]

Mr. Denham: 170 modernisation schemes in 149 hospitals are being funded this year through the accident and emergency modernisation programme. This is the

largest ever investment in the modernisation of accident and emergency departments in the National Health Service.

Accident and Emergency Services (Wakefield)

38. **Mr. Grogan:** To ask the Secretary of State for Health if he will make a statement about the provision of acute and accident and emergency hospital services by Wakefield health authority. [88276]

Mr. Denham: Wakefield health authority is considering a range of options on the future delivery of health services. It expects to undergo consultation in August of this year.

Out-patients

Dr. Palmer: To ask the Secretary of State for Health how many first out-patient appointments were seen by the NHS in the year to the end of March; and what the figure was in each of the two previous years. [88269]

Mr. Denham: The figures requested are set out in the table:

Year	*First out-patients seen (all specialities)*
1996–97	11,220,320
1997–98	11,496,788
1998–99[1]	11,621,481

[1] Provisional

Oncology Drugs

Mr. Paul Marsden: To ask the Secretary of State for Health if he will estimate the proportion of the total amount spent on oncology drugs in each of the past five years which has been paid for by private healthcare insurance; and what proportion of the total spending for each of these years has been spent within clinical studies. [86632]

Mr. Hutton: The information requested is not available centrally.

Public Health

Dr. Gibson: To ask the Secretary of State for Health when he expects to publish the White Paper on public health. [87447]

Mr. Paul Marsden: To ask the Secretary of State for Health when the White Paper "Our Healthier Nation" will be published; and if he will make a statement. [89090]

Ms Jowell: This afternoon, my right hon. Friend the Secretary of State for Health launched "Saving Lives: Our Healthier Nation", the White Paper setting out the Government's health strategy for England.

NHS Trusts (Running Costs)

Lorna Fitzsimons: To ask the Secretary of State for Health what research he has commissioned into the running costs of NHS trusts, with particular reference to *(a)* cost and quality of service and *(b)* overheads, buildings and plant. [88390]

Mr. Denham: No research has been specifically commissioned into the running costs of National Health Service trusts.

There is no accepted definition for running costs of NHS trusts. The Department collects information from trusts on their management costs. This information is available from audited accounts and compiled in accordance with guidance issued by the NHS Executive. The definition of management costs has recently been tightened to ensure that all costs relating to clinical care are excluded, and all costs properly relating to management (including appropriate proportions of clinicians' time) are included.

Carers

Mr. O'Hara: To ask the Secretary of State for Health if he will publish the most recent figures showing the number of people who are *(a)* carers and *(b)* receiving home care, in each of the regions covered by the new Regional Development Agencies in the age ranges (i) 0 to 8, (ii) 18 to 24, (iii) 25 to 50, (iv) 50 to 65, (v) 65 to 85 and (vi) 85 years and over. [88651]

Mr. Hutton: Information is not available for carers aged less than 8. However, the estimated number of carers aged 8 to 17 in Great Britain, for 1996, was between 19 and 51 thousand. The estimated number of adult informal carers in Great Britain is 5.7 millions. Information on the number of *(a)* adult informal carers for 1995, the latest year for which details are available and *(b)* the number of households receiving home help or home care, for a survey week in 1998, are given in the tables. The requested information is not available for the new Regional Development Agency areas or for the precise age groups requested.

In response to the National Carers' Strategy, a question is currently being tested for the 2001 Census. This will provide details of the number of carers for different geographical areas by age, and give the number of hours per week for which care is provided.

Table (a): Estimates of adults (aged 16 or more) who were carers, 1995, Great Britain

Age group	*Estimates of those who were carers (millions)*
16–29	0.7
30–44	1.2
45–64	2.6
65 and over	1.2
16 and over	5.7

Source:
1995 General Household Survey, mid-1995 population estimates

Table (b): Number of households receiving home help or home care services, for a survey week in September 1998, England

Age group of oldest client in household	*Number of households*
Under 18	6,200
18–64	71,200
65–74	83,800
75–84	144,900
85 and over	139,800
All ages	445,900

Source:
Department of Health annual statistical return, HH1

Breast Screening

Ms Perham: To ask the Secretary of State for Health when the findings of the pilot projects assessing the impact of extending routine breast screening to women aged 65 to 69 years will be published. [88660]

Mr. Hutton: The pilot studies are due to finish in 2000 and the results will be published once the data have been analysed and evaluated.

Ms Perham: To ask the Secretary of State for Health when he expects the report of the Chief Medical Officer's working group on contingency plans for implementing the findings of the pilot studies on extending the routine call element of the breast screening programme to women aged 65 to 69 to be published. [88659]

Mr. Hutton: The working group set up by the Chief Medical Officer was asked to assess the extent and nature of both current and future workforce pressures in the National Health Service Breast Screening Programme and identify possible ways in which these pressures could be eased. The Chief Medical Officer and Ministers are currently considering the working group's report and its recommendations, which will inform the ongoing work programme to ensure that the screening programme maintains the three year screening interval.

Blood Product Screening

Mr. Cohen: To ask the Secretary of State for Health what is the *(a)* total national cost, *(b)* the average cost to health authorities and *(c)* the cost to Redbridge and Waltham Forest health authority for the screening of blood products for CJD infection; if he will make a supplementary allocation from central health funds available to cover these costs; and if he will make a statement. [89016]

Mr. Hutton: There is no test available at present for screening blood or blood products for Creutzfeldt Jakob Disease infection. However, the Government have instructed the National Blood Authority to leucodeplete (ie remove white blood cells) from blood for transfusion and not to use United Kingdom-sourced plasma in the manufacture of blood products for the time being. The estimated cost nationally to health authorities of these measures in 1999–2000 is £73.5 million. The cost to individual health authorities will vary depending on their usage of blood throughout the year, and information on the average cost to health authorities and to Redbridge and Waltham Forest health authority is therefore not available centrally. Account was taken of this additional cost pressure when allocating additional resources to health authorities in 1999–2000.

Patient Nutritional Screening

Helen Jones: To ask the Secretary of State for Health how many hospital trusts in England and Wales have in place a system of nutritional screening for newly admitted patients; and what advice his Department has given on the introduction of such systems. [88867]

Mr. Hutton: There are no data available on the number of hospital trusts which have in place a system of nutritional screening for newly admitted patients as this information is not collected centrally. The Department commissioned a resource pack from the University of Newcastle-upon-Tyne which was published in 1997 and a copy was issued to all trusts. It is intended to help trusts to develop and implement a system for nutritional screening.

Ms Drown: To ask the Secretary of State for Health what steps he is taking to ensure that good-quality food is provided for people in NHS care. [88247]

Mr. Denham: Guidance on delivering a good quality catering service and improving nutrition standards has been issued to the National Health Service in recent years. All NHS trusts have been asked to adopt a recommended framework for auditing and monitoring performance to ensure consistent standards.

Morbidity Rates

Laura Moffatt: To ask the Secretary of State for Health what data his Department has collated on the change in morbidity en route to hospital when the journey is greater than eight miles. [88932]

Mr. Hutton: The information requested is not available centrally. Recent work suggests that mortality may be greatest for total journey distances between three and six miles, and significantly less for shorter or longer total journeys. However a significant body of published research has established a causative link between the length of time from incident to treatment and morbidity/mortality. This is the measure used to set national performance standards for National Health Service ambulance services. Regardless of distance all ambulance services will be required to meet the response time targets set out in Health Circular 1999/091 "Modernisation of Ambulance Services" in 2001, copies of which are available in the Library.

Ambulance Journeys

Laura Moffatt: To ask the Secretary of State for Health what is the average mileage by ambulance from collection of the patient to the nearest accident department. [88931]

Mr. Hutton: The average round trip mileage for emergency ambulance journeys in England is 11.2 miles for urban services and 21.2 miles for rural services.

Route Services

Laura Moffatt: To ask the Secretary of State for Health how many hospital trusts are reconfiguring acute services in England where they occupy more than one site, with particular reference to *(a)* maternity services, *(b)* intensive care and *(c)* accident and emergency services. [88933]

Mr. Hutton: The information requested cannot be provided without incurring disproportionate costs.

Centre for Policy on Ageing

Mrs. Brinton: To ask the Secretary of State for Health what plans he has to *(a)* publish and *(b)* implement the national standards for care homes developed for his Department by the Centre for Policy on Ageing. [89079]

Mr. Hutton: We are currently considering the Centre for Policy on Ageing's report setting out their proposals for national regulatory standards for older people in care

homes. We will be issuing the CPA's proposed standards to a wide range of organisations and individuals for consultation nationally in the summer.

We will carefully consider all the comments we receive on the CPA's report before finalising the standards and the arrangements for implementing them.

Domiciliary Care

Mr. Gordon Prentice: To ask the Secretary of State for Health what qualifications and experience are required to be demonstrated by a person wishing to offer domiciliary care services. [89285]

Mr. Hutton: There are currently no requirements outside local contractual arrangements, but new standards are being developed as part of the new regulatory framework for domiciliary care which was outlined in the Social Services White Paper. These will address issues such as fit person criteria, references, checks and training for people offering domiciliary care services.

Long-term Care

Mr. Gordon Prentice: To ask the Secretary of State for Health when he expects the Government's consultation on the recommendations of the Royal Commission on Long-term Care to be concluded; and if he will make a statement. [89299]

Mr. Hutton: As my right hon. Friend the Secretary of State outlined in his statement to Parliament, the Royal Commission has produced a very detailed report in which the Commissioners themselves call for an informed debate on their recommendations. We expect that debate, which has already begun, to be an on-going one and to inform decisions we take on the Commission's recommendations.

Sight Tests

Dr. Naysmith: To ask the Secretary of State for Health if he will ensure that sight-testing remains confined to medical practitioners and optometrists. [89465]

Mr. Denham: We have no plans to amend Section 24 of the Opticians Act 1989 which reserves the testing of sight to registered medical practitioners and ophthalmic opticians (optometrists).

Doctor Registration

Dr. Tonge: To ask the Secretary of State for Health what steps he has taken to ensure that doctors who have been struck off the medical register abroad are not employed by NHS trusts and private hospitals in the UK. [89527]

Mr. Denham: The National Health Service issued guidance "The Management of Health, Safety and Welfare Issues for NHS Staff" to all NHS employers in April 1998. This emphasised the need to ensure that references are thoroughly checked and career histories explored when recruiting staff. Private employers would be expected to carry out appropriate checks before recruiting medical staff. The National Health Service Executive is working on a proposed change to application forms for medical staff to include a declaration that a doctor has not been subject to disciplinary action by appropriate regulatory bodies anywhere in the world.

Eastbourne District General Hospital

Mr. Baker: To ask the Secretary of State for Health if he will make a statement on the review of services at Eastbourne District General Hospital. [88262]

Mr. Denham: The review of nursing care at Eastbourne Hospitals National Health Service Trust is being carried out by the South East Regional Office of the NHS Executive.

With strong independent membership, it will provide an objective assessment of the current position and provide recommendations which will form the basis of an agreed action plan for the trust. The review group's report will be published.

The review group have now met and are presently collecting evidence from all parties concerned.

Correspondence

Mr. Winnick: To ask the Secretary of State for Health when the hon. Member for Walsall, North will receive a reply to his letter of 24 May regarding a constituent (ref: POH(6)5608/25). [90065]

Mr. Denham: I replied to my hon. Friend on 5 July.

AGRICULTURE, FISHERIES AND FOOD

Ministerial Meetings (Ireland)

Mr. Matthew Taylor: To ask the Minister of Agriculture, Fisheries and Food on how many occasions Ministers in his Department have held meetings with Ministers and officials of the Irish Government since 1 January 1998, indicating the dates and locations, the Ministers involved and the names of the Irish Ministers and officials in each case. [87432]

Mr. Nick Brown: Since 1 January 1998, Ministers in my Department have held meetings with Ministers of the Irish Government on four occasions.

The then Minister, my right hon. Friend the Member for Copeland (Mr. Cunningham) met Mr. Joe Walsh the Irish Minister of Agriculture on 18 June 1998 in London and I met him on 13 November 1998 in Dublin.

Lord Donoughue met Joe Walsh on 17–19 April 1998 in Dublin and on 17 June 1999 in London.

In addition, informal discussions take place from time to time in the margins of Agriculture Councils.

Meat Hygiene Service

Mr. Paterson: To ask the Minister of Agriculture, Fisheries and Food what research he has *(a)* commissioned and *(b)* evaluated on (i) the microbiological results of the Meat Hygiene Service's policy of requiring the trimming of contamination from freshly-dressed carcases, and (ii) if the Meat Hygiene Service procedure had resulted in an overall reduction in the incidence of E. coli 0157 in carcase meat. [88297]

Mr. Rooker: No such research has been commissioned or evaluated by my Department. The trimming of meat contaminated with faecal material from carcases will inevitably reduce the incidence of E. coli 0157 on carcase meat.

Mr. Paterson: To ask the Minister of Agriculture, Fisheries and Food how many representations he has received on conversion qualifications to allow meat hygiene inspectors and environmental health officers to qualify as official veterinary surgeons. [88282]

Mr. Rooker: I have received a number of such representations, including an outline proposal from the Chartered Institute of Environmental Health for a conversion course for environmental health graduates to enable them to take on the role of Suitably Qualified Officers for Veterinary Purposes at ports and in licensed fresh meat premises.

However, current EU meat hygiene rules and the EU Directives on veterinary qualifications and training require that an official veterinary surgeon for meat hygiene purposes must be a veterinarian whose veterinary qualifications meet the requirements of the relevant Directives.

Mr. Paterson: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the level of official supervision in *(a)* meat processing plants supervised by local authorities and *(b)* cutting plants supervised by the Meat Hygiene Service. [88298]

Mr. Rooker: None. The specific requirements for official supervision in meat processing plants supervised by local authorities are laid down in the EU Minced Meat Preparations Directive (94/65/EC) and the Meat Products Directive (77/99/EEC, as amended). The frequency of official inspection in such premises is based on a risk assessment using the Inspection Rating in Annexe 1 to Code of Practice No. 9 under the Food Safety Act 1990.

The level and frequency of official supervision of licensed fresh meat cutting plants is specified in the EU meat hygiene Directives (64/433/EEC, as amended; and 71/118/EEC, as amended).

Mr. Paterson: To ask the Minister of Agriculture, Fisheries and Food what steps are taken to ascertain whether, in respect of allegations being made as to contraventions by owners, managers or staff of slaughterhouses of the meat hygiene or specified risk material regulations, there are mitigating circumstances or other factors which would indicate that to continue or initiate proceedings would not be in the public interest. [88296]

Mr. Rooker: Any allegations which might result in criminal proceedings are thoroughly investigated by members of the Ministry's investigation section in accordance with the Police and Criminal Evidence Act 1984 and other relevant legislation. Such investigations inevitably include questions of whether there are mitigating circumstances. Their report is then sent to the Ministry's prosecution section who, when considering initiating proceedings, comply with the Code for Crown prosecutors and consider not only evidence that may substantiate the contravention but also potential defences and whether, in all the circumstances it is in the public interest for proceedings to be instituted.

Mr. Paterson: To ask the Minister of Agriculture, Fisheries and Food if he will establish an independent inquiry, chaired by a senior lawyer, into the performance and activities of his Department's legal department, in respect of their proceedings against the owners, managers and staff of slaughterhouses for alleged contraventions of the meat hygiene and specified risk material regulations. [88293]

Mr. Rooker: I am not aware of any need for such an inquiry.

Bovine Head-skinning

Mr. Paterson: To ask the Minister of Agriculture, Fisheries and Food for what reasons the complete skinning of bovine heads is required in instances where no part is to be used for human consumption. [88284]

Mr. Rooker: The complete skinning of the heads of adult bovines is required by the EU Fresh Meat Directive (64/433/EEC, as amended), even when meat is not to be harvested for human consumption, to allow post-mortem inspection to be carried out hygienically.

Food Standards Agency

Mr. Paterson: To ask the Minister of Agriculture, Fisheries and Food what discussions *(a)* he and *(b)* his officials have had with and what communication he has received from, EU Commission officials on the establishment of the Food Standards Agency. [88285]

Mr. Rooker: We and our officials maintain regular contact with the EU Commission over the full range of food safety and standards matters, including keeping it informed of the Government's plans for the Food Standards Agency.

Genetically Modified Ingredients (Labelling)

Joan Ruddock: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on progress in establishing a labelling regime for food genetically modified ingredients/additives and derivatives in human and animal feed. [89014]

Mr. Rooker: The Government are continuing to press the European Commission to publish proposals for labelling of GM additives and GM animal feeds as soon as possible. There are signs that proposals on the labelling of GM additives may be issued by the Commission shortly.

Food Labelling

Miss McIntosh: To ask the Minister of Agriculture, Fisheries and Food what plans he has to make the labelling of food by country of origin compulsory; and if he will make a statement. [88854]

Mr. Rooker: Food labelling rules require country of origin labelling only where it is needed to avoid misleading consumers. Since these rules are harmonised throughout the European Community any additional requirements for country of origin labelling could be introduced only at European level. Retailers may, of course, provide country of origin information on a voluntary basis, provided what they give is true and not likely to mislead the consumer.

Free-range Products

Dr. Cable: To ask the Minister of Agriculture, Fisheries and Food what are the criteria which determine whether farmers may call their products free range. [89009]

Mr. Rooker: I assume the hon. Member is referring to free-range egg and poultry meat production. Before eggs and poultry meat can be marketed as free range, EU Commission Regulations require, among other things, that poultry have continuous daytime access to open air runs, mainly covered with vegetation. They also specify maximum outdoor and indoor stocking densities.

Hill Livestock Compensatory Allowances

Mr. Maclean: To ask the Minister of Agriculture, Fisheries and Food what representations he has received on the reform of hill livestock compensatory allowances. [88354]

Mr. Rooker *[holding answer 28 June 1999]:* Responses to the Ministry's initial consultation document on the reform of hill livestock compensatory allowances were requested by 25 June. We have received 67 responses from a wide range of interests. These are being analysed and will be made available for public scrutiny in accordance with normal Ministry procedures. A summary of the main points to emerge will be included in a further consultation paper setting out detailed proposals.

Aspartame

Jackie Ballard: To ask the Minister of Agriculture, Fisheries and Food what plans he has to restrict the use of aspartame in products aimed at children. [89158]

Mr. Rooker: Aspartame has been thoroughly assessed for safety by a number of scientific bodies world-wide including the UK's Committee on Toxicity of Chemicals in Food, Consumer Products and the Environment and the EC Scientific Committee for Food, and an Acceptable Daily Intake (ADI) set. EC sweeteners legislation limits the use of this sweetener to specific food categories and to certain maximum levels of use in order to ensure that consumers, including children, do not regularly exceed the ADI. This legislation also prohibits the use of aspartame and other sweeteners in foods specifically designed for infants and young children. The Government have no plans at this time to seek further restrictions on the use of this sweetener.

Jackie Ballard: To ask the Minister of Agriculture, Fisheries and Food what representations he has received from the World Health Organisation concerning the recommended daily intake for aspartame; and what plans he has to amend this level. [89157]

Mr. Rooker: Aspartame has only been permitted for use in food after careful evaluation by independent expert committees in the UK, EU and internationally, including the World Health Organisation committee which deals with food additives. All of these committees have concluded that aspartame is safe for use in food and have set an Acceptable Daily Intake (ADI) for this sweetener of 40 mg/kg body weight. The Government currently have no plans to seek an amendment to this level.

Dioxin Contamination

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food what levels of dioxin contamination in United Kingdom and imported fish and fish products have been identified; and if he will make a statement. [89294]

Mr. Rooker *[holding answer 1 July 1999]:* The levels of dioxin found in the latest survey of marine fish are comparable to those reported in other published studies. Full results of this survey and advice from the Committee on the Toxicity of Chemicals in Food, Consumer Products and the Environment (COT) will be published at the end of July in the MAFF Food Safety Information Bulletin and the accompanying Food Surveillance Information Sheet.

Farmers' Markets

Mr. Bob Russell: To ask the Minister of Agriculture, Fisheries and Food what assistance he has given to the establishment of farmers' markets; and if he will make a statement. [89554]

Mr. Rooker: I refer the hon. Member to the reply given to him on 1 July 1999, *Official Report,* column *266.*

Set-aside (Lancashire)

Mr. Gordon Prentice: To ask the Minister of Agriculture, Fisheries and Food what area of agricultural land in Lancashire is currently subject to set-aside; and what was the annual cost to public funds in the last year for which figures are available. [89557]

Mr. Rooker: The area of set-aside in Lancashire on claims made in 1998 under the Arable Area Payments Scheme (AAPS) was 1,189 hectares. The comparable figure for 1999 is not yet available.

At the 1998 payment rate for set-aside, the area payment for this area of set-aside would have been £359,000.

Quarantine

Mr. Bob Russell: To ask the Minister of Agriculture, Fisheries and Food if British sovereign bases in Cyprus will be included in the list of countries to which the current quarantine arrangements will no longer apply for pets entering the United Kingdom; and if he will make a statement. [89555]

Mr. Rooker: Discussions are underway with the Cypriot authorities to establish whether the island meets the criteria for rabies freedom set out by the Office International des Epizooties (OIE).

Mr. Bob Russell: To ask the Minister of Agriculture, Fisheries and Food if he will list those countries from which pets entering the United Kingdom will no longer be required to fulfil the current quarantine arrangements; and if he will make a statement. [89580]

Mr. Rooker: To be exempt from quarantine, pets will have to arrive from European Union and European Economic Area countries, Switzerland, Andorra, Monaco, San Marino, the Vatican and Gibraltar: or from islands outside Europe meeting the Office International des Epizooties definition of freedom from rabies. An announcement of which islands are eligible will be made in due course. The question of eligibility of animals from North America is still being considered.

EC/Seychelles Fishing Agreement

Mr. Bercow: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the

national shares allocated in the fishing agreement between the European Community and the Republic of Seychelles. [89712]

Mr. Morley: Fishing opportunities for EC vessels in Seychelles waters, for the period 18 January 1999 to 17 January 2002, have been allocated between member states as follows:

(a) Tuna seiners

Spain: 25 vessels

France: 20 vessels

Italy: 1 vessel

UK: 1 vessel

(b) Surface longliners

Spain: 20 vessels

France: 5 vessels

Portugal: 7 vessels.

WALES

Market Research

Mr. Don Foster: To ask the Secretary of State for Wales if he will list the title and purpose of each item of market and opinion research commissioned by or through his Department, its agencies and non-department public bodies since May 1997 stating in each case whether or not the results were published. [89683]

Mr. Michael: This information is not held centrally and could be provided only at disproportionate cost.

Special Advisers

Mr. Don Foster: To ask the Secretary of State for Wales if he will list the subject and date of each written briefing prepared by his special advisers for all Labour Members since May 1997 and the total number and total cost to date of these. [89991]

Mr. Michael: Special Advisers are appointed under terms and conditions set out in the "Model Contract for Special Advisers". Schedule 1, Part 1 of the Model Contract sets out the role and duties of Special Advisers. As well as research for Ministers and reviewing papers, contributing to policy planning within the Department and preparing policy papers, speechwriting and liaison with outside interest groups, their role explicitly includes liaising with the Party and helping to brief Party MPs. Records are not held of when such briefings are given. Similar arrangements have applied under successive Governments.

SCOTLAND

Statutory Instruments

Dr. Fox: To ask the Secretary of State for Scotland what percentage of statutory instruments introduced by his Department into Parliament in *(a)* 1998, *(b)* 1992, *(c)* 1985 and *(d)* 1973 had the European Union as their legislative source. [89172]

Dr. Reid: The total number of statutory instruments (SIs) registered as general instruments by my Department in 1998, 1992, 1985 and 1973 is listed.

Year	*Number of Scottish SIs*
1998	213
1992	279
1985	159
1972	159

It is not possible without incurring disproportionate cost to determine how many of these SIs were introduced to comply with European Community obligations.

Parliamentary Questions (Scottish Parliament)

Mr. Bercow: To ask the Secretary of State for Scotland for what proportion of *(a)* written and *(b)* oral questions, answered by his Department since 26 January, the reply contained an indication that this would be a matter for the Scottish Parliament after the transfer of functions. [89806]

Dr. Reid: Since 26 January, my Department has answered 798 written questions and 199 oral questions and sampling suggests that around three quarters and two thirds respectively indicated that either the subject matter or part of the subject matter would be for the Scottish Parliament after the transfer of functions.

Special Advisers

Mr. Don Foster: To ask the Secretary of State for Scotland if he will list the subject and date of each written briefing prepared by his Special Advisers for all Labour Members since May 1997 and the total number and total cost to date of these. [89987]

Dr. Reid: Special Advisers are appointed under terms and conditions set out in the "Model Contract for Special Advisers". Schedule 1, Part 1 of the Model Contract sets out the role and duties of Special Advisers. As well as research for Ministers and reviewing papers, contributing to policy planning within the Department and preparing policy papers, speechwriting and liaison with outside interest groups, their role explicitly includes liaising with the party and helping to brief party MPs. Records are not held of when such briefings are given. Similar arrangements have applied under successive Governments.

SOCIAL SECURITY

Social Security Administration (Scotland)

Ms Roseanna Cunningham: To ask the Secretary of State for Social Security what assessment he has made of the costs of creating a separate social security administration in Scotland; and if he will publish the assumptions made in these calculations. [89077]

Mr. Timms: Social security is reserved to Parliament and remains a Great Britain-wide scheme. Social security administration is integrated across GB and no detailed assessment has therefore been made of the annual costs of administering the present system separately in Scotland. We estimate that the costs of administering social security, child support and pensions in Scotland to be in the region of £600 million.

The estimate assumes that the Department's fixed costs and the fixed costs of its agencies, including the cost of investing in new computer systems, have to be reproduced

separately in Scotland without the benefits of GB-wide economies of scale. It also includes the costs of operating the branch network.

Statutory Instruments

Dr. Fox: To ask the Secretary of State for Social Security what percentage of statutory instruments introduced by his Department into Parliament in *(a)* 1998, *(b)* 1992, *(c)* 1985 and *(d)* 1973 had the European Union as their legislative source. [89171]

Mr. Timms: No such statutory instruments had the European Union as their legislative source.

All Work Test

Dr. Gibson: To ask the Secretary of State for Social Security when he will produce the alternative to the all work test. [89180]

Mr. Bayley: The Welfare Reform and Pensions Bill contains provisions to replace the all work test with the Personal Capability Assessment. The Personal Capability Assessment will continue to determine, in the same way as now, whether a person meets the threshold of incapacity for entitlement to incapacity benefits. That threshold will not change but the Personal Capability Assessment will also be able to provide additional constructive information about what a person can do, despite their medical condition or disability. This additional information will help personal advisers give their clients the support they need to move back to work. Subject to the passage of the Bill, the Personal Capability Assessment will be included in the ONE service pilots from this Autumn.

Pensions (Age Additions)

Mr. Woolas: To ask the Secretary of State for Social Security what estimates he has made of the cost of increasing the age additions within the basic state pension by *(a)* £3 a week for the over-75s and *(b)* £5 a week for the over-80s. [89376]

Mr. Timms: The net cost of introducing age addition of £3 per week for pensioners aged 75 to 79 and increasing the age addition paid to over-80's from £0.25 to £5.25 would be £640 million.

Notes:

1. Estimates for Retirement Pension have been provided by the Government Actuary's Department.
2. Means-tested benefit offsets have been estimated using the Income Support Simulation Model and the 1996/97 Family Resources Survey.
3. Estimates are in current prices and benefit rates, and are rounded to the nearest £10 million.

Housing Benefit

Mr. Mitchell: To ask the Secretary of State for Social Security if he will estimate the total amount of housing benefit, in thousands of pounds per annum, payable to tenants *(a)* in each local authority, *(b)* in each region and *(c)* nationally, for 1998–99. [89586]

Angela Eagle: Information is not available for 1998–99. Such information as is available has been placed in the Library.

Household Savings

Mr. Field: To ask the Secretary of State for Social Security what are the percentages of households with *(a)* no savings, *(b)* savings up to £1,500, *(c)* savings between £1,500 and £3,000, *(d)* savings between £3,000 and £8,000, *(e)* savings between £8,000 and £10,000, *(f)* savings between £10,000 and £16,000, *(g)* savings between £16,000 and £20,000, *(h)* savings above £20,000, among households with gross weekly income of *(i)* less than £100, (ii) £100 to £200, (iii) £200 to £300, (iv) £300 to £400, (v) £400 to £500, (vi) £500 to £600, (vii) £600 to £700 and (viii) over £700. [89878]

Angela Eagle: The information is in the table.

Percentage of households by amount of savings and gross weekly household income

	Gross weekly household income								
Capital	*Less than £100*	*£100 but less than £200*	*£200 but less than £300*	*£300 but less than £400*	*£400 but less than £500*	*£500 but less than £600*	*£600 but less than £700*	*£700 or more*	*Total households*
No savings	43	48	39	27	21	17	13	8	30
Less than £1,500	17	18	22	25	29	26	23	17	22
£1,500 but less than £3,000	9	7	7	9	10	10	12	9	8
£3,000 but less than £8,000	12	11	10	13	14	18	20	18	14
£8,000 but less than £10,000	3	2	2	3	3	3	4	5	3
£10,000 but less than £16,000	5	4	5	6	7	7	8	10	6
£16,000 but less than £20,000	2	2	2	3	3	3	4	5	3
£20,000 or more	7	7	12	14	13	15	18	28	14
Total	100	100	100	100	100	100	100	100	100

Notes:

1. The estimates are based on sample counts that have been adjusted for non-response using multi-purpose grossing factors that control for region, Council Tax band and a number of demographic variables. Estimates are subject to sampling error and to variability in non-response.
2. It should be noted that questions on assets are a sensitive part of the FRS questionnaire and have relatively low level of response, and hence higher level of imputation, compared to other parts of the survey. Responses are imputed in around one in ten cases. Evidence also suggests some under reporting of capital by respondents, and figures for income from these sources for pensioners are lower on the FRS compared to other surveys such as the Family Expenditure Survey. In addition, the under reporting of capital is likely to lead to an underestimate of income from the investment and thus contribute to underestimating gross weekly household income.
3. All percentages have been rounded to the nearest integer.

Source:

1997–98 Family Resources Survey (GB)

Special Advisers

Mr. Don Foster: To ask the Secretary of State for Social Security if he will list the subject and date of each written briefing prepared by his Special Advisers for all Labour Members since May 1997 and the total number and total cost to date of these. [89992]

Mr. Timms: Special Advisers are appointed under terms and conditions set out in the Model Contract for Special Advisers. Schedule 1, part 1 of the Model Contract sets out the role and duties of Special Advisers. As well as research for Ministers and reviewing papers, contributing to policy planning within the Department and preparing policy papers, speechwriting and liaison with outside interest groups, their role explicitly includes liaising with the party and helping to brief party MPs. Records are not held of when such briefings are given. Similar arrangements have applied under successive Governments.

CABINET OFFICE

Policy Co-ordination (Sport)

Mr. Nigel Jones: To ask the Minister for the Cabinet Office what plans he has to co-ordinate Government policy for sports matters between departments. [88497]

Mr. Chris Smith: I have been asked to reply.

Government policy on sports matter is co-ordinated through the Cabinet Committee on Home and Social Affairs; specific questions might be dealt with by other Committees as appropriate.

Additionally the Sports Cabinet, which I chair, provides for a collective policy discussion of most strategic priorities for UK sport. The Ministers with responsibilities which affect sport in England also keep in close touch, and will continue to do so.

LORD CHANCELLOR'S DEPARTMENT

Public Records

Mr. Livingstone: To ask the Parliamentary Secretary, Lord Chancellor's Department if the Government will ensure that the retention for non-administrative reasons of departmental records over 30 years old is justified under the same criteria as those which justify extended closure of records over 30 years old at the Public Record Office. [89634]

Mr. Cohen: To ask the Parliamentary Secretary, Lord Chancellor's Department if the Government will take action to ensure that the retention for non-administrative reasons of departmental records over 30 years old will be justified under the same criteria as those which justify extended closure of records over 30 years old at the Public Record Office. [89637]

Mr. Vaz: The current system for the retention by Government departments of records over 30 years old is explained in the White Paper "Open Government" (1993, Cm 2290), particularly paragraphs 9.8 and 9.23–9.27. Grounds for retention are laid out in paragraphs 9.23 and 9.26.

When departments make applications to retain records, they are required to give clear and explicit reasons, making clear in each case what harm would be caused by release. These reasons are considered by the Lord Chancellor's Advisory Council on Public Records before being submitted to the Lord Chancellor. The Lord Chancellor permits departments to retain records for no more than 10 years before they must either release the records or submit another application for retention.

The withholding of public records for a period longer than 30 years is currently the subject of public consultation as part of the pre-legislative scrutiny of the draft Freedom of Information Bill.

Mr. Livingstone: To ask the Parliamentary Secretary, Lord Chancellor's Department if the Government will review the criteria against which the extended closure of records over 30 years old, under section 5(1) of the Public Records Act 1958, must be justified, with particular reference to *(a)* the definition of national security, *(b)* protection of the identities of confidential informants and *(c)* protection of those mentioned, or their relatives, from substantial distress or endangerment. [89632]

Mr. Cohen: To ask the Parliamentary Secretary, Lord Chancellor's Department if the Government will review the criteria against which the extended closure of records under section 5(1) of the Public Records Act 1958 must be justified, with special reference to *(a)* the definition of national security, *(b)* protection of the identities of confidential informants and *(c)* protection of those mentioned or their relatives from substantial distress and endangerment. [89635]

Mr. Vaz: Revised criteria for the closure of records are included in the draft Freedom of Information Bill which is currently the subject of public consultation.

Mr. Livingstone: To ask the Parliamentary Secretary, Lord Chancellor's Department if the Government will publish the guidelines given to departmental record officers on judging whether the release of a document is likely to cause substantial distress or endangerment to a person mentioned in that document or to relatives of such a person. [89633]

Mr. Cohen: To ask the Parliamentary Secretary, Lord Chancellor's Department if the Government will publish the guidelines given to departmental record officers on judging whether the release of a document is likely to cause substantial distress or endangerment to a person mentioned in that document or to relatives of such a person. [89636]

Mr. Vaz: After an initial consultation draft in 1994, the Public Record Office produced guidance for departmental record officers in 1995. Copies of that guidance will be placed in the Libraries of both Houses. The guidance is currently being revised as part of the development of a Manual on Access to Public Records which will be issued

in September 1999. It is proposed that this manual should be available to the public.

Special Advisers

Mr. Don Foster: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list the subject and date of each written briefing prepared by his special advisers for all Labour Members since May 1997 and the total number and total cost to date of these. [89984]

Mr. Vaz: Special Advisers are appointed under terms and conditions set out in the Model Contract for Special Advisers. Schedule 1, Part 1 of the Model Contract sets out the role and duties of Special Advisers. As well as research for Ministers and reviewing papers, contributing to policy planning within the Department and preparing policy papers, speechwriting and liaison with outside interest groups, their role explicitly includes liaising with the Party and helping to brief Party MPs. Records are not held of when such briefings are given. Similar arrangements have applied under successive Governments.

EDUCATION AND EMPLOYMENT

Universities (Doctorates)

Mr. Willis: To ask the Secretary of State for Education and Employment how many academics who held doctorates at the time when recruited were in post in UK universities in the latest year for which the information is available and in each of the previous 10 years, broken down by (i) subject and (ii) domicile. [88689]

Mr. Mudie: The information available, covering the years 1994–95 to 1998–99, is shown in the following table. Information for previous years is not held centrally.

Number of academics [1], with doctorate qualifications of UK and other EU institutions, in post in UK higher education institutions, by subject group taught and domicile [2]

Subject group taught	*Home*	*Overseas*	*Total*
1994–95			
Medicine and Dentistry	2,128	368	2,496
Subjects allied to medicine	2,102	368	2,470
Biological sciences	7,210	1,223	8,433
Veterinary science	179	15	194
Agriculture and related subs	356	45	401
Physical sciences	7,327	1,511	8,838
Mathematical sciences	1,855	382	2,237
Computer science	905	285	1,190
Engineering and Technology	3,881	1,411	5,292
Architecture, Building and Planning	251	56	307
Social, economic and political science	3,808	830	4,638
Law	253	93	346
Business and Administrative studies	727	194	921
Librarianship and Information science	97	24	121
Languages	2,215	483	2,698
Humanities	2,363	426	2,789
Creative arts and design	344	63	407
Education	603	49	652
Combined	485	315	800
Total	37,089	8,141	45,230
1995–96			
Medicine and Dentistry	2,153	409	2,562
Subjects allied to medicine	2,360	361	2,721
Biological sciences	8,328	1,345	9,673
Veterinary science	210	22	232
Agriculture and related subs	415	43	458
Physical sciences	8,264	1,572	9,836
Mathematical sciences	2,080	397	2,477
Computer science	971	317	1,288
Engineering and Technology	4,265	1,501	5,766
Architecture, Building and Planning	259	70	329
Social, economic and political science	4,340	1,031	5,371
Law	302	97	399
Business and Administrative studies	801	206	1,007
Librarianship and Information science	92	31	123
Languages	2,525	602	3,127
Humanities	2,736	512	3,248
Creative arts and design	419	76	495
Education	662	63	725
Combined	431	85	516
Total	41,613	8,740	50,353
1996–97			
Medicine and Dentistry	2,362	463	2,825
Subjects allied to medicine	2,549	433	2,982
Biological sciences	8,704	1,568	10,272
Veterinary science	217	24	241
Agriculture and related subs	452	57	509
Physical sciences	8,383	1,691	10,074
Mathematical sciences	2,085	387	2,472
Computer science	990	339	1,329
Engineering and Technology	4,304	1,485	5,789
Architecture, Building and Planning	252	82	334
Social, economic and political science	4,482	1,060	5,542
Law	317	106	423
Business and Administrative studies	798	234	1,032
Librarianship and Information science	95	39	134
Languages	2,635	576	3,211
Humanities	2,812	530	3,342
Creative arts and design	460	83	543
Education	685	61	746
Combined	551	99	650
Total	43,133	9,317	52,450
1997–98			
Medicine and Dentistry	2,338	417	2,755
Subjects allied to medicine	2,696	376	3,072
Biological sciences	8,977	1,338	10,315
Veterinary science	210	22	232
Agriculture and related subs	458	45	503
Physical sciences	8,460	1,415	9,875
Mathematical sciences	2,125	312	2,437
Computer science	1,086	321	1,407
Engineering and Technology	4,340	1,205	5,545
Architecture, Building and Planning	287	62	349
Social, economic and political science	4,919	816	5,735
Law	343	97	440
Business and Administrative studies	919	186	1,105
Librarianship and Information science	124	36	160
Languages	2,780	453	3,233
Humanities	2,963	418	3,381
Creative arts and design	528	62	590
Education	741	41	782
Combined	468	86	554
Total	44,762	7,708	52,470

[1] Includes staff on fixed-term research contracts;

[2] 'Home' students are UK domiciled; 'overseas' students are domiciled in other EU and other overseas countries.

Mr. Willis: To ask the Secretary of State for Education and Employment how many PhD students were in their first year of research and taught courses in UK universities in the latest year for which the information is available and in each of the previous 10 years, broken down by (i) subject and (ii) domicile. [88687]

Mr. Mudie: The information available, covering the years 1994–95 to 1998–99, is shown in the following table. Information for previous years is not held centrally.

First year students on doctorate degree courses in UK higher education institutions, by subject group and domicile[1]

Subject	Mainly by research			Not mainly by research		
	Home	Overseas	Total	Home	Overseas	Total
1994–95						
Medicine and Dentistry	824	146	970	0	0	0
Subjects allied to medicine	527	111	638	5	0	5
Biological Sciences	1,332	303	1,635	70	2	72
Veterinary Science	37	21	58	0	0	0
Agriculture and related subjects	109	93	202	0	0	0
Physical Sciences	1,524	338	1,862	16	15	31
Mathematical Sciences	269	109	378	0	3	3
Computer Science	315	186	501	0	0	0
Engineering and Technology	1,234	661	1,895	3	0	3
Architecture, Building and Planning	113	46	159	2	0	2
Social, economic and political studies	783	423	1,206	4	7	11
Law	100	59	159	0	0	0
Business and Administrative studies	393	233	626	0	2	2
Librarianship and Information Science	44	24	68	0	0	0
Languages	488	264	752	0	9	9
Humanities	487	202	689	0	0	0
Creative Arts and Designs	197	59	256	0	0	0
Education	384	149	533	0	0	0
Combined	195	30	225	0	0	0
Total	9,335	3,457	12,812	100	38	138
1995–96						
Medicine and Dentistry	721	142	863	9	0	9
Subjects allied to medicine	456	157	613	14	0	14
Biological Sciences	1,243	382	1,625	132	13	145
Veterinary Science	47	13	60	0	0	0
Agriculture and related subjects	91	79	170	0	0	0
Physical Sciences	1,595	422	2,017	11	8	19
Mathematical Sciences	266	160	426	0	3	3
Computer Science	270	169	439	0	2	2
Engineering and Technology	1,187	817	2,004	2	0	2
Architecture, Building and Planning	115	67	182	0	0	0
Social, economic and political studies	801	468	1,269	6	4	10
Law	103	90	193	6	0	6
Business and Administrative Studies	361	272	633	5	6	11
Librarianship and Information Science	56	28	84	0	0	0
Languages	505	344	849	2	9	11
Humanities	560	263	823	0	0	0
Creative Arts and Design	167	50	217	4	1	5
Education	388	140	528	14	0	14
Combined	181	47	228	0	2	2
Total	9,113	4,110	13,223	205	48	253
1996–97						
Medicine and Dentistry	666	135	801	33	0	33
Subjects allied to medicine	387	137	524	3	2	5
Biological Sciences	1,409	402	1,811	98	3	101
Veterinary Science	32	15	47	0	0	0
Agriculture and related subjects	108	111	219	0	0	0
Physical Sciences	1,418	430	1,848	0	0	0
Mathematical Sciences	247	123	370	0	0	0
Computer Science	240	143	383	1	0	1
Engineering and Technology	1,085	803	1,888	4	1	5
Architecture, Building and Planning	84	68	152	2	0	2
Social, economic and political studies	710	507	1,217	2	2	4
Law	110	117	227	26	1	27
Business and Administrative Studies	328	241	569	1	0	1
Librarianship and Information Science	41	22	63	0	0	0
Languages	495	372	867	0	0	0
Humanities	549	245	794	8	2	10
Creative Arts and Design	155	55	210	5	0	5
Education	332	229	561	144	3	147
Combined	182	44	226	0	0	0
Total	8,578	4,199	12,777	327	14	341
1997–98						
Medicine and Dentistry	646	151	797	27	0	27
Subjects allied to medicine	411	146	557	7	0	7
Biological Sciences	1,368	439	1,807	98	5	103
Veterinary Science	29	12	41	0	0	0
Agriculture and related subjects	110	96	206	0	0	0
Physical Sciences	1,368	454	1,822	0	0	0
Mathematical Sciences	245	148	393	0	0	0

First year students on doctorate degree courses in UK higher education institutions, by subject group and domicile [1]

Subject	Mainly by research			Not mainly by research		
	Home	Overseas	Total	Home	Overseas	Total
Computer Science	202	175	377	0	0	0
Engineering and Technology	909	780	1,689	0	0	0
Architecture, Building and Planning	92	63	155	0	0	0
Social, economic and political studies	652	434	1,086	10	1	11
Law	83	84	167	0	0	0
Business and Administrative Studies	336	287	623	2	2	4
Librarianship and Information Science	44	30	74	0	0	0
Languages	490	330	820	0	0	0
Humanities	525	276	801	3	2	5
Creative Arts and Design	155	50	205	5	0	5
Education	424	204	628	64	8	72
Combined	331	128	459	0	0	0
Total	8,420	4,287	12,707	216	18	234
1998–99						
Medicine and Dentistry	753	197	950	31	0	31
Subjects allied to medicine	432	147	579	9	0	9
Biological Sciences	1,422	413	1,835	102	0	102
Veterinary Science	29	15	44	0	0	0
Agriculture and related subjects	115	98	213	0	0	0
Physical Sciences	1,240	492	1,732	0	0	0
Mathematical Sciences	196	147	343	0	0	0
Computer Science	178	81	259	0	0	0
Engineering and Technology	469	285	754	3	2	5
Architecture, Building and Planning	91	63	154	0	0	0
Social, economic and political studies	614	569	1,183	14	1	15
Law	76	108	184	0	0	0
Business and Administrative Studies	349	316	665	10	6	16
Librarianship and Information Science	51	31	82	0	0	0
Languages	436	339	775	0	0	0
Humanities	190	179	369	0	0	0
Creative Arts and Design	441	267	708	44	11	55
Education	871	828	1,699	12	1	13
Combined	165	76	241	1	0	1
Total	8,118	4,651	12,769	226	21	247

[1] 'Home' students are UK domiciled; 'overseas' students are domiciled in other EU and other overseas countries.

Mr. Willis: To ask the Secretary of State for Education and Employment how may PhDs were awarded to students in UK universities in the latest year for which the information is available and in each of the previous 10 years, broken down by (i) subject and (ii) domicile. [88685]

Mr. Mudie: Information on a consistent basis is not available centrally for the full ten year period. Available information covering UK HE institutions for the years 1994–95 to 1997–98 is shown in the table.

Students in UK HEIs awarded PhDs by domicile [1] *and subject*

	1994–95			1995–96			1996–97			1997–98		
	Home	O'seas	Total	Home	O'seas	Total	Home	O'seas	Total	Home	O'seas	Total
Medicine and Dentistry	427	117	544	526	202	728	674	224	898	706	201	907
Subjects allied to medicine	246	104	350	329	125	454	378	136	514	382	142	524
Biological Sciences	848	266	1,114	1,112	372	1,484	1,194	386	1,580	1,296	378	1,674
Veterinary Science	34	21	55	44	22	66	50	28	78	65	39	104
Agriculture and related subjects	95	121	216	137	148	285	106	140	246	98	190	288
Physical Sciences	1,115	342	1,457	1,440	435	1,875	1,369	441	1,810	1,485	466	1,951
Mathematical Sciences	147	85	232	204	117	321	212	133	345	162	140	302
Computer Science	136	86	222	164	117	281	138	103	241	154	109	263
Engineering and Technology	721	606	1,327	792	765	1,557	1,010	745	1,755	1,016	821	1,837
Architecture, Building and Planning	57	36	93	29	52	81	53	59	112	51	83	134
Social, economic and political studies	248	253	501	305	341	646	394	307	701	439	377	816
Law	27	49	76	38	70	108	39	74	113	34	68	102
Business and Administrative Studies	131	84	215	201	141	342	143	142	285	150	174	324
Librarianship and Information Science	14	13	27	10	18	28	14	16	30	16	24	40
Languages	242	144	386	302	190	492	303	190	493	336	230	566
Humanities	225	164	389	336	188	524	342	183	525	344	246	590
Creative Arts and Design	45	15	60	50	18	68	53	31	84	72	23	95
Education	106	64	170	110	88	198	174	99	273	217	121	338
Combined	105	20	125	186	37	223	95	36	131	95	43	138
Total	4,864	2,570	7,434	6,129	3,409	9,538	6,646	3,437	10,083	7,023	3,832	10,855

[1] 'Home' students are UK domiciled; 'overseas' students are domiciled in other EU and other overseas countries

Available information for the years prior to 1994–95 is that published by the University Statistical Record (USR) for the University Funding Council funded institutions in Great Britain and are given in the table. Such data were not published by domicile.

PhDs awarded in UFC funded institutions in Great Britain	*1989–90*	*1990–91*	*1991–92*	*1992–93*	*1993–94*
Medicine and dentistry	437	456	473	578	643
Studies allied to medicine	352	330	336	403	412
Biological sciences	1,154	1,276	1,213	1,226	1,346
Veterinary science, agriculture and related studies	229	228	232	265	275
Physical sciences	1,625	1,659	1,788	1,663	1,671
Mathematical sciences	407	465	530	504	528
Engineering and technology	1,282	1,463	1,440	1,294	1,522
Architecture and related studies	63	69	82	68	78
Social sciences	732	683	718	675	735
Business and financial studies	153	150	145	167	171
Librarianship and information science	29	28	30	24	30
Languages and related studies	387	426	427	453	477
Humanities	463	464	443	489	512
Creative arts	54	42	52	44	54
Education	208	207	195	216	203
Multi-disciplinary studies	70	63	54	61	60
Total	7,645	8,009	8,158	8,130	8,717

There were, additionally, a small number of PhD awards reported in the non-UFC funded English HE institutions prior to 1994–95 amounting to 118 in 1993–94, 81 in 1992–93 and 45 in 1991–92. No awards are recorded before this time.

School Cricket

Dr. Tony Wright: To ask the Secretary of State for Education and Employment how many state schools have *(a)* cricket nets, *(b)* cricket squares and *(c)* inter-school cricket fixtures. [88935]

Mr. Charles Clarke: The Department does not collect this information.

New Deal (Young People)

Mr. Keetch: To ask the Secretary of State for Education and Employment if he will list the percentage of leavers from the 18 to 24 New Deal by each unit of delivery in the United Kingdom from April 1998 to the latest date for which the figures are available *(a)* whose destination was unsubsidised employment and *(b)* whose destination was unknown. [89377]

Mr. Andrew Smith: The table shows the percentages of young people leaving New Deal for unsubsidised employment and for whom no destination is recorded for the period April 1998 to April 1999, by each Employment Service Unit of Delivery. In addition to these figures for unsubsidised jobs, the independent research report on leavers with unknown destinations published last month showed that 43 per cent. of respondents said they had left the New Deal for paid employment.

Percentage

	Destination on leaving	
Revised units of delivery	*Unsubsidised employment*	*Not known*
Tayside	44	32
Ayrshire	47	28
Borders	49	34
Dumfries and Galloway	46	32
Dunbarton	52	26
Edinburgh, East and Mid Lothian	44	30
Fife	43	36
Forth valley	56	24
Glasgow	38	32
Grampian	39	34
Moray, Strathspay and Badenoch	54	27
Lanarkshire	49	24
Renfrewshire	46	27
West Lothian	49	29
Argyll and The Islands	56	28
Caithness and Sutherland	52	27
Inverness and Nairn	49	30
Lochaber	58	35
Western Isles	49	35
Orkney	72	22
Ross and Cromarty	59	26
Shetland	45	45
Skye and Lochalsh	44	50
Newcastle, Gateshead and South Tyneside	38	35
Northumberland	49	26
Tyneside North	48	28
Durham North and Durham South	47	28
City of Sunderland formerly Wearside	47	23
Tees North and Tees South	41	30
Cumbria	48	29
Wirral	42	38
Blackpool, Fylde and Wyre	43	36
Bolton	41	34
Bury	43	35
Central Lancashire	46	28
Cheshire	46	31
City Pride Manchester	40	36
East Lancashire	42	33
Halton and Warrington	48	31
Knowsley	38	29
Liverpool	39	32
North Lancashire	48	31
Oldham	47	31
Rochdale	44	31
Sefton	50	26
St. Helens	44	28
Stockport	45	31
West Lancashire	49	19
Wigan	49	30
Sheffield	39	42

Percentage

Revised units of delivery	Destination on leaving: Unsubsidised employment	Destination on leaving: Not known
Rotherham	39	37
South Humber	53	26
Calderdale and Kirlees	40	34
Barnsley and The Dearne	44	27
Bradford	39	37
Hull and East Coast formerly Hull	49	27
Leeds	37	42
North Yorkshire	45	34
Wakefield and Doncaster	42	35
West Wales	47	29
Swansea	45	31
North West Wales	57	24
Powys	44	34
Ceredigion	53	22
North East Wales formerly Flintshire and Wrexham	50	27
North Wales Coast	41	33
Cardiff and Vale	42	34
Bridgend and Glamorgan Valleys	45	26
Heads of the Valley and Caerphilly	48	26
Newport, Torfaen and Monmouth	45	32
Black Country	43	33
Birmingham	35	39
Solihull	36	39
Staffordshire	45	32
Hereford and Worcester	51	31
Coventry	40	39
Warwickshire	47	36
Shropshire	49	30
Southern Derbyshire	44	32
Cambridge TTWA	52	31
North Derbyshire	47	31
Leicestershire	42	38
Lincolnshire	46	33
Norfolk	51	30
West Norfolk	60	23
Northamptonshire	43	40
Greater Nottingham	40	36
North Nottinghamshire	48	29
Peterborough	44	37
Suffolk	53	25
Waveney	56	23
Cornwall	51	34
Bath and North East Somerset and North Somerset	53	29
Bristol and South Gloucestershire formerly Central Bristol	45	34
Dorset	47	36
Exeter and East Devon	49	27
Torbay and South Devon formerly South Devon	54	28
North Devon	49	32
Gloucestershire	47	33
Plymouth	48	31
Somerset	52	31
Wiltshire and Swindon formerly Wiltshire	50	30
Eastbourne and Hastings formerly Eastbourne	43	40
Lambeth	35	48
Harlow	39	42
Hackney and City	32	46
Hertfordshire	50	33
Brighton	43	36
Canterbury	43	39
Channel	52	30
Chatham	48	33
Crawley	44	40
Croydon and Bromley	41	43
Guildford	50	36
Lewisham	41	41
Maidstone, Dartford and West Kent	50	33
Southwark	35	41
Greenwich	43	36
Bexley	49	34
Sutton, Merton, Esher, Kingston, Epsom	45	38
Wandsworth	36	43
West Sussex Coastal Plain	50	32
South Essex	51	26
North Essex formerly North and Mid Essex	53	30
Edgware and Leaside	37	43
North East London	38	43
Havering, Barking and Dagneham	41	41
Newham	34	45
Tower Hamlets	38	42
Camden and North Islington	37	47
Ealing and Hillingdon formerly Ealing	41	42
Bedfordshire and Luton	40	41
Milton Keynes and North Buckinghamshire	41	41
Mid Hants	47	37
Oxfordshire	42	39
Portsmouth and South East Hampshire	45	37
Isle of Wight	48	33
Reading	43	41
Slough	43	41
Southampton and South West Hampshire	45	37
Wembley	38	44
Westminster	32	48
Hounslow and Richmond	38	43
Hammersmith, Fulham, Kensington, Chelsea	37	43
Total	44	34

Mr. Keetch: To ask the Secretary of State for Education and Employment if he will list for each region the proportion of all those who left the 18 to 24 New Deal for unsubsidised employment who left at each stage of the New Deal process between April 1998 and April 1999. [89371]

Mr. Andrew Smith: The table shows the number of young people leaving each stage of New Deal and the proportion of them who went into unsubsidised employment between April 1998 and April 1999, by each Employment Service region.

Percentage

	Scotland	Northern	North West	Yorkshire and the Humber	Wales	West Midlands	East Mids and Eastern	South West	London and South East
Those leaving before having a first interview	44	46	38	38	44	37	41	43	30
Those leaving during the gateway	48	47	46	45	49	44	49	53	45
Those leaving from an option	45	39	44	40	45	37	39	44	37
Those leaving from follow-through	31	32	30	31	33	36	34	40	34

Mr. Keetch: To ask the Secretary of State for Education and Employment, pursuant to his answer to the right hon. Member for Penrith and The Border (Mr. Maclean) of 25 June 1999, *Official Report*, columns *467–68* on the New Deal, what assessment he has made of the reliability of the survey of young people leaving the New Deal for unknown destinations. [89394]

Mr. Andrew Smith: The recently published survey on leavers with unknown destinations was carried out by a reputable independent organisation under careful management from the Employment Service. It was produced and released in accordance with the Government Statistical Service Code of Practice and I am, therefore, satisfied that the survey results are reliable.

Mr. Paul Marsden: To ask the Secretary of State for Education and Employment how many people have entered the New Deal scheme for those aged under 25 years in Shrewsbury and Atcham; and if he will make a statement. [89379]

Mr. Andrew Smith: The latest Government Statistical figures to the end of April 1999 show that 1,284 people have entered the New Deal for Young People in the Shropshire Unit of Delivery which cover Shrewsbury and Atcham. Statistics from the New Deal are not available yet for individual constituencies; rather they are broken down by Unit of Delivery. I am very encouraged by the progress being made in Shropshire and pleased to see that they are currently in the top quartile in the New Deal Core Performance tables for the proportion of people moving from the New Deal into jobs.

Teaching Days

Sir Sydney Chapman: To ask the Secretary of State for Education and Employment on how many days pupils in the state primary and secondary schools will be taught in the 1998–99 academic year; and what were the comparable figures for 10, 20 and 30 years previously. [89823]

Ms Estelle Morris: Regulations require there to be 380 half-day sessions during any school year. This provision is consistent with the 190 days a year on which teachers may be required under their statutory conditions of service to teach children.

Football Study Support Centres

Mr. Clappison: To ask the Secretary of State for Education and Employment what research he has *(a)* commissioned and *(b)* evaluated into the effect of attendance at football study support centres on the educational standards of the children concerned. [89719]

Mr. Charles Clarke: In June 1998, the Department commissioned the National Foundation for Educational Research (NFER) to evaluate the first six centres in order to provide early indications of their effectiveness and to inform future development plans. NFER's report is very positive about the impact of the centres and will be published in September 1999. A more extensive evaluation of all *Playing for Success* centres will begin in August 1999.

Mr. Clappison: To ask the Secretary of State for Education and Employment what is the cost per pupil of a pupil attending a football study support centre. [89720]

Mr. Charles Clarke: Precise figures are not yet available. Most centres are still in the early stages of development and are adjusting module lengths, pupil numbers and infrastructure arrangements in the light of experience. However, the Department estimates the average cost per pupil at approximately £150.

Mr. Clappison: To ask the Secretary of State for Education and Employment how much funding for football study support centres has been obtained from *(a)* sponsors and *(b)* football clubs. [89723]

Mr. Charles Clarke: The amount of sponsorship for *Playing for Success* is substantial, and sponsors have equipped some centres with full suites of IT hardware. The Department is in the process of quantifying the total sponsorship sum. Each football club is required to contribute one third of the total costs, estimated at £110,000 per annum, in cash or kind.

Mr. Clappison: To ask the Secretary of State for Education and Employment what assessment he has made of the extent to which children who are *(a)* disaffected with school and *(b)* likely to become disaffected have joined football study support centres. [89718]

Mr. Charles Clarke: The *Playing for Success* initiative is specifically targeted at those young people who are disaffected or who are identified as in danger of becoming so. The schools involved are the best judges of which pupils fall into those categories and select pupils who are most likely to benefit from attendance at the centres.

Mr. Clappison: To ask the Secretary of State for Education and Employment if he will list the Premier League and Division One football clubs providing study support centres in *(a)* 1999 and *(b)* 2000; and how many children are (i) attending and (ii) planned to attend such centres in the case of each football club. [89721]

Mr. Charles Clarke: Details are shown in the table. Expected opening dates are provisional and the numbers of children taking part are estimated.

Clubs committed	*Pupil numbers (estimated)*	
Arsenal	[1]—	Expected to open in 2000
Barnsley	200	Open
Birmingham City	[2]—	Expected to open in 1999
Blackburn Rovers	550	Open
Bolton Wanderers	300	Open
Bradford City	[1]—	Expected to open in 2000
Bristol City	[2]—	Expected to open in 1999
Charlton Athletic	540	Open
Crystal Palace	1,000	Open
Derby County	1,500	Open
Everton	[1]—	Expected to open in 2000
Huddersfield Town	240	Open
Leeds United	360	Open
Leicester City	720	Open
Liverpool	[2]—	Expected to open in 1999
Manchester City	160	Open
Manchester United	[2]—	Expected to open in 1999
Middlesbrough	800	Open
Newcastle United	5,000	Open
Norwich City	160	Expected to open in 1999
Nottingham Forest	180	Open
Port Vale	150	Open
Queens Park Rangers	675	Open
Reading	[1]—	Expected to open in 2000

Clubs committed	*Pupil numbers (estimated)*	
Sheffield United	240	Open
Sheffield Wednesday	560	Open
Southampton	[2]—	Expected to open in 1999
Stoke City	210	Open
Stockport County	[2]—	Expected to open in 1999
Sunderland	350	Open
Swindon Town	575	Open
Tottenham Hotspur	[1]—	Expected to open in 2000
Watford	[1]—	Expected to open in 2000
West Bromwich Albion	[2]—	Expected to open in 1999
West Ham United	1,160	Open
Wolverhampton Wanderers	120	Open

[1] Not applicable
[2] Not known

Mr. Clappison: To ask the Secretary of State for Education and Employment what estimate he has made of the number of girls attending football study support centres. [89722]

Mr. Charles Clarke: The national evaluation report of the first six centres by the National Foundation for Educational Research (NFER) found girls attended in equal numbers to boys. Feedback from individual *Playing for Success* centre managers, who monitor attendance by gender, confirms this pattern.

Local Learning and Skills Councils

Mr. Chope: To ask the Secretary of State for Education and Employment in establishing boundaries for local Learning and Skills Councils, how he will ensure that the boundaries fit with local travel-to-work and travel-to-study patterns and are within regional development agency/Government office boundaries in cases where local travel-to-work and travel-to-study patterns cross the RDA/Government office boundaries. [90086]

Mr. Mudie: We have asked the regional development agencies (RDAs) and the London Development Partnership for advice on the boundaries of the local Learning and Skills Councils within each region. In drawing up their advice, we have proposed a set of principles which RDAs need to follow. These include that boundaries must fit within RDA/Government office boundaries and should take into account best fit with travel-to-work and travel-to-study areas. They should also be consistent with other key local economic or social units and partnerships—especially with local authorities. We will take decisions on boundaries on the basis of these criteria and the advice of RDAs.

Mr. Chope: To ask the Secretary of State for Education and Employment what will be the maximum number of local Learning and Skills Councils in each regional development agency/Government office boundary consistent with the Government's objectives of having no more than 50 such councils nationally. [90064]

Mr. Mudie: We have asked regional development agencies (RDAs) and the London Development Partnership to make proposals on the boundaries for local Learning and Skills Councils by the end of September. We have not set a maximum number for each region, but have set some key principles which will underpin the RDAs' considerations and our decisions on the boundaries. These include a minimum residential population of 0.5 million.

Nursery Education

Mr. Don Foster: To ask the Secretary of State for Education and Employment, pursuant to his answer of 11 February 1999, *Official Report*, column *336*, on nursery education, what percentage of three-year-olds in each of the local education authorities listed *(a)* currently have (i) free full-time early education places and (ii) free part-time early education places and *(b)* will have (i) free full-time early education places and (ii) free part-time early education places when the promised additional places are provided. [89751]

Ms Hodge: The information is not available in the form requested. Participation rates for individual ages cannot be provided at local education authority level as the underlying population estimates are not sufficiently reliable.

Each three-year-old offered one of the additional free places will be eligible to receive five sessions of early education per week.

Written Answers to Questions

Wednesday 7 July 1999

NORTHERN IRELAND

European Communities Working Groups

Mr. Bercow: To ask the Secretary of State for Northern Ireland if she will list the European Communities working groups which met over the last 12 months with a representative from her Department in attendance; if she will list the number of times each met; if she will indicate the nature of the Government's representation; and if she will make a statement. [88470]

Mr. Paul Murphy: Officials from my Department regularly attended European Communities working groups when matters of importance to Northern Ireland were being discussed. Occasionally my Department can be represented by officials from the United Kingdom's Permanent Representation to the European Union.

Special Advisers

Mr. Don Foster: To ask the Secretary of State for Northern Ireland if she will list the subject and date of each written briefing prepared by her special advisers for all Labour Members since May 1997 and the total number and total cost to date of these. [89996]

Marjorie Mowlam: Special Advisers are appointed under terms and conditions set out in the "Model Contract for Special Advisers". Schedule 1, Part 1 of the Model Contract sets out the role and duties of Special Advisers. As well as research for Ministers and reviewing papers, contributing to policy planning within the Department and preparing policy papers, speechwriting and liaison with outside interest groups, their role explicitly includes liaising with the Party and helping to brief Party MPs. Records are not held of when such briefings are given. Similar arrangements have applied under successive Governments.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Severn Trent Water

Mr. Luff: To ask the Secretary of State for the Environment, Transport and the Regions if he will investigate the level of charges by Severn Trent Water for water at educational establishments; and if he will make a statement. [86870]

Mr. Meacher *[holding answer 14 June 1999]:* This is a matter for Severn Trent Water. The Director General of Water Services has the general function of overseeing companies' use of their charging powers to ensure that there is no undue discrimination between different classes of customer but he has no role in approving their detailed charges. The Water Industry Act 1999 will give the Secretary of State and the Director General new powers to approve charges schemes which should tackle this problem.

Road Deaths

Mr. Bradshaw: To ask the Secretary of State for the Environment, Transport and the Regions how many *(a)* pedestrians and *(b)* cyclists have been (i) killed and (ii) seriously injured in accidents involving motor vehicles in each of the last five years. [89540]

Ms Glenda Jackson: The numbers of pedestrians and cyclists recorded as being killed and seriously injured in accidents involving motor vehicles are shown in the tables.

Pedestrian casualties in accidents involving a motor vehicle

Year	Casualty severity: Fatal	Serious
1994	1,119	11,703
1995	1,032	11,155
1996	995	10,518
1997	967	9,956
1998	904	9,494

Cyclist casualties in accidents involving a motor vehicle

Year	Casualty severity: Fatal	Serious
1994	159	3,440
1995	189	3,364
1996	186	3,264
1997	170	3,118
1998	145	2,882

Bicycle Accidents

Mr. Bradshaw: To ask the Secretary of State for the Environment, Transport and the Regions how many pedestrians have been *(a)* killed and *(b)* seriously injured (i) in accidents involving bicycles ridden on pavements and (ii) by bicycles ridden on the road when the cyclist was at fault, in each of the last five years. [89538]

Ms Glenda Jackson: The party at fault in a road accident is not recorded on a national basis.

However, the numbers of pedestrians recorded as being killed and seriously injured who were hit on the footway or verge by bicycles are shown in the table.

Pedestrians hit by pedal cyclists on the footway or verge

Year	Casualty severity: Fatal	Serious
1994	1	30
1995	1	36
1996	0	23
1997	1	36
1998	1	23

The following table shows the numbers of pedestrians recorded as being hit while in the carriageway.

Pedestrians hit by pedal cyclists in the carriageway

Year	Casualty severity	
	Fatal	Serious
1994	3	68
1995	3	62
1996	2	63
1997	1	54
1998	1	45

Mr. Bradshaw: To ask the Secretary of State for the Environment, Transport and the Regions how many cyclists have been *(a)* killed and *(b)* seriously injured in accidents on roads or cycle paths when the pedestrian was at fault in each of the last five years. [89539]

Ms Glenda Jackson: The party at fault in a road accident is not recorded on a national basis.

However, the table shows the numbers of cyclists recorded as being killed or seriously injured on the carriageway or cycleway in accidents which involved a pedestrian and did not involve any motor vehicles. These numbers do not include casualties on cycleways which are segregated from the public road.

Cyclist casualties in accidents involving a pedestrian and not involving a motor vehicle

Year	Casualty severity	
	Fatal	Serious
1994	0	14
1995	1	19
1996	1	15
1997	3	15
1998	0	14

Council Housing

Mr. Mitchell: To ask the Secretary of State for the Environment, Transport and the Regions if he will estimate the cost, at current prices in pounds per dwelling, of major repairs to council housing stock *(a)* by local authority, *(b)* by region and *(c)* nationally in each of the last five years. [89584]

Mr. Raynsford: A copy of the data available has been placed in the Library. The tables show the average expenditure per council dwelling receiving major renovation work (repairs and improvements costing more than £500 per dwelling) in each local authority, region and nationally. Every year, about 22 per cent. of council owned dwellings receive renovation work costing at least £500.

Figures are presented for the years for which data are available centrally (1995–96, 1996–97 and 1997–98), at 1997–98 price levels. This information was not collected centrally before 1995–96.

These figures are submitted to the Department by local authorities as part of the annual Housing Investment Programme round. Some local authorities did not supply detailed information of their expenditure on capital works. Such LAs are excluded from this analysis: they have been removed from the LA listings and are not included in regional and national averages.

Differences in average expenditure between regions do not only reflect different quantities of work completed, but also the significant variations in the costs of carrying out the same work in different regions.

Mr. Mitchell: To ask the Secretary of State for the Environment, Transport and the Regions if he will estimate the amount of *(a)* average management and maintenance allowances, *(b)* guideline rents and *(c)* the difference between *(a)* and *(b)* in pounds per dwelling per week and in thousands of pounds per annum, (i) for each local authority in England, (ii) for each region and (iii) nationally for 1998–99 and 1999–2000. [89585]

Mr. Raynsford: The information requested has been placed in the Library of the House.

Empty Property Strategy

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions how many empty homes owned by *(a)* Government agencies and *(b)* local authorities were brought back into use in 1998 as a result of the developing empty property strategy promoted by his Department. [89678]

Mr. Raynsford: In general information is not collected centrally on the numbers of empty homes brought back into use. Instead data are collected on the numbers of vacant dwellings, which is the key outcome of action to reduce the number of empty homes. Figures for vacant dwellings in England at 1 April 1998 were published in Department of the Environment, Transport and the Regions Information Bulletin 189/99 on 2 March 1999 which has been placed in the Library of the House.

Homelessness

Mr. Cummings: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the numbers of young, single homeless people in *(a)* the district council areas of (i) Easington, (ii) Durham City, (iii) Chester le-Street, (iv) Derwentside, (v) Wear Valley and *(b)* the boroughs of (i) Sedgefield, (ii) Darlington, (iii) Sunderland and (iv) Hartlepool. [89834]

Mr. Raynsford: None, but we are working up a methodology to allow local authorities to produce such estimates. There are real problems in attempting to measure the scale of youth homelessness, either nationally or locally. Few estimates of single homelessness break figures down by age. The term 'homeless' may also be used to represent a number of different levels of housing need. At one extreme, rough sleeping is the most visible and disturbing form of homelessness. But there are also young people accommodated in emergency night shelters, direct-access hostels, squats, bed-and-breakfast accommodation and longer-term hostels. Some people, especially the young will stay with friends and relatives on a temporary basis, sometimes under difficult and trying circumstances. Although there have been a number of estimates commissioned by the voluntary sector to assess the extent of youth homelessness they have not been able to overcome these inherent difficulties and have come up with widely differing estimates.

My Department has recently commissioned research into youth homelessness as part of the Youth Homelessness Action Partnership. One output from this research will provide a more reliable estimate of the numbers of young people affected by various types of homelessness. A tool-kit will also be produced which will be made available to local authorities and the voluntary sector to help them produce accurate figures locally.

Market Research

Mr. Don Foster: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the title and purpose of each item of market and opinion research commissioned by or through his Department, agencies and non-departmental public bodies since May 1997, stating in each case whether the results were published. [89698]

Mr. Meale *[holding answer 5 July 1999]:* The only central list of market and opinion research currently held in my Department is for research commissioned for information campaigns. The research is used to help ensure the effectiveness, appropriateness and value for money of such campaigns. Since May 1997, the following have been commissioned:

1997–99

Monthly road safety advertising quantitative tracking research

1997

Kill your speed campaign—pre-campaign quantitative research

Child Road Safety "Hedgehogs" campaign—qualitative creative development research

Drink Drive campaign—qualitative creative development research

Radon—qualitative strategic and creative development research

Drinking Water Inspectorate—qualitative creative development research

Drinking Water Inspectorate—quantitative awareness research

New Leadership for London Green Paper popular leaflet—qualitative creative development research

London Referendum—qualitative strategic and creative development research

1998

Review of 25 years of *Drink Drive* advertising—quantitative research

are you doing your bit? Spring 1998 campaign—qualitative creative development research

are you doing your bit? Spring 1998 campaign—quantitative pre- and post-campaign research

are you doing your bit? Greener Vehicles 1998 campaign—quantitative pre- and post-campaign research

are you doing your bit? Autumn 1998 refresher campaign—quantitative awareness research

Child Road Safety campaign—quantitative tracking research

Drink Drive campaign—qualitative strategic research

Drink Drive campaign—qualitative creative development research

Kill Your Speed campaign—qualitative creative development research

London referendum—quantitative pre- and post-campaign research

1999

Sustainable Development—qualitative strategic development research

are you doing your bit? campaign—qualitative creative development research

Leaded Petrol—quantitative awareness research

are you doing your bit? campaign—quantitative research into water usage habits

Summer *Drink Drive* campaign—qualitative creative development research

Cowboy Builders—qualitative creative development research

Millennium *Drink Drive* campaign—qualitative creative development research

1999–2000

Monthly *are you doing your bit?* campaign—quantitative tracking research.

Research results are not published. However, copies of quantitative research reports are available on request. In addition, the Department's Survey Control Unit is currently compiling a database of non-publicity surveys conducted since the merger of the Department of Transport and the Department of the Environment in 1997. This will not include the Department's agencies and non-departmental public bodies, which are responsible for their own research.

Drinking Water Inspectorate

Mr. Burgon: To ask the Secretary of State for the Environment, Transport and the Regions when the ninth Annual report of the Drinking Water Inspectorate will be published. [90304]

Mr. Meacher: The Drinking Water Inspectorate will publish its ninth Annual Report on Wednesday, 7 July.

The Inspectorate will also publish two leaflets for consumers. "How Good is the Drinking Water" will summarise the main points of the Report. "DWI Report on (Each) Water Company" will give brief details of the quality of drinking water supplied by individual water companies.

Copies of the Report and leaflets will be placed in the Library of the House.

Biotechnology

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 9 March 1999, *Official Report*, column *153*, if the stakeholders' forum he intended to instigate has been superseded by the two commissions announced by the Minister for the Cabinet Office in his oral statement of 21 May 1999, *Official Report*, columns 1371–84, on biotechnology. [90066]

Mr. Meacher *[holding answer 6 July 1999]:* The two Commissions announced by the Minister for the Cabinet Office on 21 May do supersede earlier proposals for a stakeholders forum. The Human Genetics Commission (HGC) will advise on applications of biotechnology in healthcare, and the impact of human genetics on people's lives; and the Agricultural and Environment Biotechnology Commission (AEBC) will cover the use of

biotechnology in agriculture and its environmental effects. The two bodies will include a wide range of interests including lay members, specialists in ethical matters, consumers and those with a knowledge of the industry. One of the functions of the Commissions will be to consult key stakeholders and the public in formulating their advice to Government.

Special Advisers

Mr. Don Foster: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the subject and date of each written briefing prepared by his special advisers for all Labour Members since May 1997 and the total number and total cost to date of these. [89981]

Mr. Prescott *[holding answer 6 July 1999]:* Special Advisers are appointed under terms and conditions set out in the Model Contract for Special Advisers. Schedule 1, Part 1 of the Model Contract sets out the role and duties of Special Advisers. As well as research for Ministers and reviewing papers, contributing to policy planning within the Department and preparing policy papers, speech writing and liaison with outside interest groups, their role explicitly includes liaising with the Party and helping to brief Party MPs. Records are not held of when such briefings are given. Similar arrangements have applied under successive Governments.

Red Routes

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to extend *(a)* the red route network and *(b)* the bus priority network to other cities. [89474]

Ms Glenda Jackson: The red route project and powers are exclusive to London. Elsewhere, it is primarily for local authorities to use their existing traffic management powers to give appropriate priority to buses. We look to them to do so, in the context of developing their local transport plans and bus strategies.

Non-domestic Rates

Mrs. Humble: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to phase in the effects of the 2000 revaluation on non-domestic rate bills in England. [90495]

Ms Armstrong: I fully understand non-domestic ratepayers' concerns about the revaluation and their keenness to know, as early as possible, how they will be affected. They need time to plan ahead. However, we do not yet have complete information about the detailed effects of the revaluation, and will not do so for a while.

We therefore aim to publish in late September a consultation paper outlining options for handling the impact of the revaluation in England. We recognise the need in formulating the proposals for this consultation paper to take account of the views of business organisations. I am therefore convening a consultative forum of national bodies representing business interests to consider this issue and I expect the first meeting to be later this summer.

ATTORNEY-GENERAL

Asylum Seekers

Mr. Allan: To ask the Attorney-General what guidance he has issued to the Crown Prosecution Service on the prosecution of asylum-seekers in transit in the United Kingdom who have been stopped for bearing false documents. [89672]

The Attorney-General: I have not issued specific guidance on this point. The Crown Prosecution Service has set up a multi agency group to look at policy in relation to this issue and will consider, inter alia, whether specific guidance to prosecutors should be issued. In these cases, as all others, Crown Prosecutors must apply the Code for Crown Prosecutors when making the decision to prosecute. This is a set of general principles requiring the prosecutor to apply an evidential and a public interest test to determine whether a prosecution should take place or not.

HOME DEPARTMENT

Cabinet Joint Consultative Committee

Mr. Gordon Prentice: To ask the Secretary of State for the Home Department how many meetings of the JCC he has attended. [89278]

Mr. Straw: I refer my hon. Friend to the reply given to him by my right hon. Friend the Prime Minister on 5 July 1999, *Official Report,* column *362.*

"Your Right to Know" White Paper

Mr. Peter Bradley: To ask the Secretary of State for the Home Department how many submissions were made in the course of the consultation on the 1997 White Paper, "Your Right to Know"; and how many raised objections concerning the substantial harm test as set out in the White Paper. [89361]

Mr. Straw: 572 pieces of correspondence received in response to the White Paper "Your Right to Know" were published in six volumes, under the title "Your Right to Know—Consultation Responses". Copies were placed in the Library and published on the Internet. Correspondence where the author requested confidentiality has not been published.

31 of the published items of correspondence made explicit statements regarding the substantial harm test as set down in the White Paper. Of these, seven (23 per cent.) did not express an opinion as to the desirability or otherwise of the substantial harm test, five (16 per cent.) expressed an opinion in favour of substantial harm, and 19 (61 per cent.) raised objections.

The five in favour of substantial harm were from the Canadian Information and Privacy Commissioner, the Chief Constable of Durham, Charter 88, the National Steering Committee of Nuclear Free Local Authorities and the Campaign for Freedom of Information.

The 19 that raised objections about substantial harm were from a number of individuals and organisations including British Nuclear Fuels Plc, Coopers and Lybrand, British Energy, the Building Societies Commission, the

Commission for the New Towns, Lancashire County Council and the Confederation of British Industry (CBI). No one particular interest group or sector dominated the correspondence, objections to substantial harm were received from members of the public and from organisations.

Comments made include:

"substantial harm, as a test, is unworkable";

"British Energy's preferred approach is that harm would be caused or that there is a reasonable expectation of harm";

"it is difficult to form an objective interpretation of any adjective such as 'substantial' in this context. It would be better to have no adjective because it is already difficult to run the public service really effectively, and if disclosure is likely to cause 'harm' then it is better not to disclose";

"the proposals already recognise the need to supply a 'simple harm' test to disclosure of policy advice. It would not, therefore, seem to follow that it would be sensible to apply a 'substantial harm' test to the other categories, particularly those relating to law enforcement and safety issues";

"the CBI believes the test governing disclosure should be one of 'simple' harm and not 'substantial' harm . . . if the test is to be one of 'substantial harm' then we believe the competitiveness of business will be affected".

Clearly, a significantly greater number of correspondents who commented on substantial harm saw difficulties with the test than saw it as unproblematical. This was one of the considerations taken into account when we decided, in preparing the draft Bill, to revisit this test and see whether it could be made more workable.

Metropolitan Police Data

Mr. Cohen: To ask the Secretary of State for the Home Department how many subject access requests have been received by the Metropolitan Police for each of the last three years; and what plans he has to use his powers under the Data Protection Act 1998 to restrict, at the request of the data subject, a subject access request to personal data which relate to criminal records. [89654]

Kate Hoey: The Commissioner of the Metropolitan Police tells me that the number of subject access requests received by the Metropolitan Police for each of the last three years has been:

1998: 24,984

1997: 18,705

1996: 13,896.

The Data Protection Act 1998 makes provision for a new offence to deal with enforced subject access to certain types of record, including criminal records. Because of the close link with the introduction of criminal record checks, provided under Part V of the Police Act 1997, the new offence will not be brought into force before such checks can be undertaken. The Criminal Records Bureau is being established to enable these checks to be carried out.

Work on the implementation and timing of Part V of the Police Act 1997 is being taken forward.

Security Service

Mr. Cohen: To ask the Secretary of State for the Home Department for what reasons the figures regarding numbers of personal files held by MI5 which he gave the House on 29 July 1998, *Official Report*, columns *251–54*, differ from those in the 1997–98 Annual report of the Intelligence and Security Committee; and whether the MI5 records held in microform are classified within the traffic light system. [89638]

Mr. Straw: The figures given by the Intelligence and Security Committee and those given in my reply on 29 July 1998 to my hon. Friend the Member for City of Chester (Ms Russell), *Official Report*, columns *251–54*, are not incompatible. The Committee's breakdown of figures is different from that in my reply. In my reply, I said that the Security Service held approximately 440,000 files, 290,000 related to individuals who may have been the subject of an inquiry or investigation. The 290,000 was further broken down as: 230,000 closed files; 40,000 microfilmed; and 20,000 active files. In its report, the Committee gave the figures as 250,000 hard copy personal records with a further 40,000 on microfiche. It broke the 250,000 down as: 17,500 Green (ie Active) files; 97,000 Amber; 135,000 Red; and additionally, 3,000 temporary Green (Gens). Any minor variance in the figures is a result of rounding. All Security Service microfilmed records are closed and are categorised as Red in the traffic light system.

Mr. Cohen: To ask the Secretary of State for the Home Department how many records from the period 1909 to 1945 it is intended will be retained by MI5 under section 3(4) of the Public Records Act 1958; on what grounds they are to be retained; how many of them are operational records; and what types of operational record they are. [89640]

Mr. Straw: The Security Service is currently engaged in reviewing its records from between 1939 and 1945. It will then begin the process of reviewing records from the inter-war period. The decision whether to keep or to destroy records that are no longer required for operational purposes is taken by the Security Service subject to the guidelines relating to the retention of material for historical purposes. I set out the criteria that are applied when deciding whether a record is likely to be of historical interest in my reply to the hon. Member for New Forest, East (Dr. Lewis) on 20 January 1998, *Official Report*, column *520*. The decision as to which records should be released to the Public Record Office is taken by the Service in the light of an assessment of their sensitivity and the need to protect agents and methods of operation. Further information concerning operational records is not made public.

Mr. Cohen: To ask the Secretary of State for the Home Department (1) when the release to the Public Record Office of MI5 records from the period 1919 to 1939 will take place; [89639]

(2) what reasons underlie the proposed time scale for the release of post-1945 MI5 records to the Public Record Office. [89641]

Mr. Straw: As I announced in my reply to my hon. Friend the Member for City of Chester (Ms Russell) on 29 July 1998, *Official Report*, columns *251–54*, the Security Service is currently reviewing its files relating to the period 1939–45, for release to the Public Record Office. When this work has been completed the Service will turn to the inter- and post-war years. Progress on this will be determined by the resources available to carry out this work.

Mr. Cohen: To ask the Secretary of State for the Home Department for what reasons the Government refused the request by the Advisory Council on Public Records in 1998 to be allowed to consider the conditions under which MI5 records are released; and if the Government will review that refusal. [89642]

Mr. Straw: In July 1998, I invited the Advisory Council on Public Records to review the criteria employed by the Security Service to select files for permanent preservation on grounds of historical interest. The Advisory Council reported in December last year. I placed the report in the Library and announced the Government's response in my reply to my hon. Friend the Member for Reading, East (Jane Griffiths), 3 February 1999, *Official Report*, columns *619–20*.

During the course of the Advisory Council review the Chairman of the Council wrote to me to ask whether I would be prepared to extend the terms of reference to encompass issues relating to access to Security Service records. I replied that I was not then contemplating changing the arrangements under which external access to Security Service personal files which had not been released to the Public Record Office (PRO) was strictly limited to the Commissioners and Tribunals acting in pursuit of their functions. That remains the position. I did, however, agree that officials of the PRO with the necessary security clearance should be invited to examine files earmarked for destruction following review by the Security Service.

Mr. Cohen: To ask the Secretary of State for the Home Department if he will make a statement on the extent of surviving Police Special Branch historical records; and for what reasons retention in Department, under section 3(4) of the Public Records Act 1958, still applies to these records and to those of MI6. [89643]

Mr. Straw: The Public Records Act 1958 applies to the Metropolitan Police Special Branch, but not to Special Branches in other police forces. The inclusion of the Metropolitan Police reflects the relationship that continues to exist between the Secretary of State for the Home Department and the Metropolitan Police Service.

However, all Special Branches in England, Wales and Scotland operate under the published "Guidelines on Special Branch Work in Great Britain". Paragraph 20 of the Guidelines requires each Special Branch to maintain an effective system for:

> "the identification and destruction of information which can no longer be clearly related to the discharge of its functions".

Because Special Branches need to meet local policing needs—as determined by their respective Chief Constables—as well as assisting the Security Service in carrying out its statutory duty under the Security Service Act 1989, they may need to keep records on individuals who, while ceasing to be of interest to the Security Service, remain of interest in a wider policing context. Decisions on the retention of such records are, therefore, an operational matter for the Chief Constable of the force concerned. Her Majesty's Inspectorate of Constabulary does, however, reinforce the importance of ensuring that the Guidelines are adopted nationally as the basis for handling personal records.

With respect to the retention of Secret Intelligence Service (MI6) records under section 3(4) of the Public Records Act 1958, I refer my hon. Friend to the reply given by my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs to the hon. Member for Lewes (Mr. Baker) on 12 February 1998, *Official Report*, column *324*.

Mr. Livingstone: To ask the Secretary of State for the Home Department (1) when the release to the Public Record Office of M15 records from the period 1919 to 1939 will take place; [89625]

(2) what reasons underlie the proposed time scale for the release of post-1945 M15 records to the Public Record Office. [89627]

Mr. Straw: As I announced in my reply to my hon. Friend the Member for City of Chester (Ms Russell), 29 July 1998, *Official Report*, columns *251–54*, the Security Service is currently reviewing its files relating to the period 1939–45, for release to the Public Record Office. When this work has been completed the Service will turn to the inter- and post-war years. Progress on this will be determined by the resources available to carry out this work.

Mr. Livingstone: To ask the Secretary of State for the Home Department for what reasons the Government refused the request by the Advisory Council on Public Records in 1998 to be allowed to consider the conditions under which M15 records are released; and if the Government will review that refusal. [89628]

Mr. Straw: In July 1998, I invited the Advisory Council on Public Records to review the criteria employed by the Security Service to select files for permanent preservation on grounds of historical interest. The Advisory Council reported in December last year. I placed the report in the Library and announced the Government's response in my reply to my hon. Friend the Member for Reading, East (Jane Griffiths), 3 February 1999, *Official Report*, columns *619–20*.

During the course of the Advisory Council review, the Chairman of the Council wrote to me to ask whether I would be prepared to extend the terms of reference to encompass issues relating to access to Security Service records. I replied that I was not then contemplating changing the arrangements under which external access to Security Service personal files which had not been released to the Public Record Office (PRO) was strictly limited to the Commissioners and Tribunals acting in pursuit of their functions. That remains the position. I did, however, agree that officials of the PRO with the necessary security clearance should be invited to examine files earmarked for destruction following review by the Security Service.

Mr. Livingstone: To ask the Secretary of State for the Home Department for what reasons the figures regarding numbers of personal files held by M15 which he gave the House on 29 July 1998, *Official Report*, columns *251–54*, differ from those in the 1997–98 Annual report of the Intelligence and Security Committee; and if M15 records held in microform are classified within the traffic light system. [89624]

Mr. Straw: The figures given by the Intelligence and Security Committee and those given in my reply to my hon. Friend, the Member for City of Chester (Ms Russell),

29 July 1998, *Official Report*, columns *251–54*, are not incompatible. The Security Committee breakdown of figures is different from that in my reply. In my reply, I said that the Security Service held approximately 440,000 files, 290,000 related to individuals who may have been the subject of an inquiry or investigation. The 290,000 was further broken down as: 230,000 closed files; 40,000 microfilmed; and 20,000 active files. In its report, the Committee gave the figures as 250,000 hard copy personal records with a further 40,000 on microfiche. It broke the 250,000 down as: 17,500 Green (ie Active) files; 97,000 Amber; 135,000 Red; and additionally 3,000 temporary Green (Gens). Any minor variance in the figures is a result of rounding. All Security Service microfilmed records are closed and are categorised as Red in the traffic light system.

Mr. Livingstone: To ask the Secretary of State for the Home Department if he will make a statement on the extent of the surviving Police Special Branch historical records; and for what reasons retention in Department under section 3(4) of the Public Records Act 1958, still applies to these records and those of M16. [89629]

Mr. Straw: The Public Records Act 1958 applies to the Metropolitan Police Special Branch, but not to Special Branches in other police forces. The inclusion of the Metropolitan Police reflects the relationship that continues to exist between the Secretary of State for the Home Department and the Metropolitan Police Service.

However, all Special Branches in England, Wales and Scotland operate under the published "Guidelines on Special Branch Work in Great Britain". Paragraph 20 of the Guidelines requires each Special Branch to maintain an effective system for:

> "the identification and destruction of information which can no longer be clearly related to the discharge of its functions".

Because Special Branches need to meet local policing needs—as determined by their respective Chief Constables—as well as assisting the Security Service in carrying out its statutory duty under the Security Service Act 1989, they may need to keep records on individuals who, while ceasing to be of interest to the Security Service, remain of interest in a wider policing context. Decisions on the retention of such records are, therefore, an operational matter for the Chief Constable of the force concerned. Her Majesty's Inspectorate of Constabulary does, however, reinforce the importance of ensuring that the Guidelines are adopted nationally as the basis for handling personal records.

With respect to the retention of Secret Intelligence Service (MI6) records under section 3(4) of the Public Records Act 1958, I refer my hon. Friend to the reply given by my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs to the hon. Member for Lewes (Mr. Baker) on 12 February 1998, *Official Report*, column *324*.

Mr. Livingstone: To ask the Secretary of State for the Home Department how many M15 records from the period 1904 to 1945 it is intended will continue to be retained by M15 under section 3(4) of the Public Records Act 1958; on what grounds they are to be retained; how many of them are operational records; and what types of operational record they are. [89626]

Mr. Straw: The Security Service is currently engaged in reviewing its records from between 1939 and 1945. It will then begin the process of reviewing records from the inter-war period. The decision whether to keep or to destroy records that are no longer required for operational purposes is taken by the Security Service subject to the guidelines relating to the retention of material for historical purposes. I set out the criteria that are applied when deciding whether a record is likely to be of historical interest in my reply to the hon. Member for New Forest, East (Dr. Lewis), 20 January 1998, *Official Report*, column *520*. The decision as to which records should be released to the Public Record Office is taken by the Service in the light of an assessment of their sensitivity and the need to protect agents and methods of operation. Further information concerning operational records is not made public.

Prison Population

Mr. Gordon Prentice: To ask the Secretary of State for the Home Department what estimate he has made of when the prison population will return to the level at May 1997. [89832]

Mr. George Howarth: No such estimates have been made. The latest projections of the future prison population were produced in May 1999 and a summary is included in the April "Prison Population Brief" which has been placed on the internet at http://www/homeoffice.gov.uk/rds/index.htm.

Animal Experiments

Mr. Sawford: To ask the Secretary of State for the Home Department what representations he has received on the subject of LD 50 tests on animals; and if he will make a statement. [89724]

Mr. George Howarth: I have received a number of letters on this topic. The most recent correspondence is with the legal consultant to the British Union for the Abolition of Vivisection. It would be inappropriate to make a statement at this time as the matter may come before the courts and I do not wish to anticipate or prejudice any such proceedings.

Asylum Seekers

Mr. Allan: To ask the Secretary of State for the Home Department how many asylum seekers in transit in the United Kingdom have been stopped from their onward journey and *(a)* prosecuted and *(b)* convicted for bearing a false document in (i) 1996, (ii) 1997, (iii) 1998 and (iv) 1999 to date. [89674]

Mr. Boateng: Details of the number of asylum seekers prosecuted and convicted cannot be identified separately from the information held on the Home Office Court Proceedings Database. I understand that many of the prosecutions relate to people whom the carrying companies refuse to carry. The Home Office will not necessarily be involved and no record is kept of the number of such cases.

Civil Defence

Mr. Paul Marsden: To ask the Secretary of State for the Home Department if he will make a statement on the proposed changes to the distribution mechanisms for civil defence grants. [89960]

Mr. George Howarth: The Home Office provides £14.038 million civil defence grant per annum to eligible local authorities in England and Wales as a contribution towards the cost incurred in meeting their civil defence duties. The grant is not intended to meet the full cost of their emergency planning services.

The current system of grant distribution is based on a formula, agreed with the then Local Authority Associations in 1992, and largely based on a two-tier system of local government. The reorganisation of local government created new Unitary authorities in England and Wales, all with a responsibility for emergency planning and, consequently, access to civil defence grant. This reorganisation created numerous anomalies within the funding arrangements that could only be properly addressed by introducing a new mechanism.

The sole avenue of consultation on this issue has been with the Local Government Association (LGA). Following discussions with the LGA a new three-tier grant distribution mechanism has been announced. The mechanism is based on the following rationale:

all 178 grant eligible authorities will receive a basic allocation of £45,000 to ensure a minimum level of service, and the delivery of basic standards of preparedness;

County Councils will receive an allocation of £10,000 for each of the District Councils within the County boundary in recognition of the service that a County must provide to constituent Districts; and

remaining grant after the first two elements have been addressed will be allocated according to Bellwin thresholds. The Bellwin Scheme, operated by the Department of the Environment, Transport and the Regions, sets a level of expenditure above which central government may contribute to costs incurred by local authorities in responding to major incidents. The use of Bellwin acknowledges the relationship between population size and the workload of emergency planning teams in large areas.

This new mechanism provides funds to all eligible authorities and now has the advantage of being clear, readily understood and equitable.

To ensure protection to those areas where grant will reduce, the full impact of the new mechanism will be phased over one year, 2000–01, with no authority losing more than 10 per cent. of its current allocation.

Mr. Paul Marsden: To ask the Secretary of State for the Home Department if he has responded to Shropshire County Council's letter of 18 June regarding the proposed distribution mechanism for civil defence grants; and if he will make a statement. [89961]

Mr. George Howarth: The Head of Emergency Planning replied to the letter from the Chief Executive of Shropshire County Council on 6 July.

Sexual Offences

Lorna Fitzsimons: To ask the Secretary of State for the Home Department what plans he has to review the definitions in law of sexual offences. [90117]

Mr. Boateng: The Sex Offences Review has been set up to review the law in England and Wales. Its remit is to recommend clear and coherent sex offences which protect individuals, especially children and the more vulnerable, from abuse and exploitation; to enable abusers to be appropriately punished; and to be fair and non-discriminatory in accordance with the European Court of Human Rights and the Human Rights Act 1998. The review started in January this year and hopes to report at the end of the year.

Compensation

Mr. Corbyn: To ask the Secretary of State for the Home Department when he expects to decide whether compensation will be paid under the terms of section 133 of the Criminal Justice Act 1988 to *(a)* Nicholas Mullen and *(b)* Gilbert Thomas Patrick McNamee. [90071]

Mr. Straw: I expect to be able to decide these applications by the end of August.

Mr. Corbyn: To ask the Secretary of State for the Home Department what was the average time between receipt of applications for compensation for miscarriages of justice under the terms of section 133 of the Criminal Justice Act 1988 and a decision by the Secretary of State as to whether compensation would be paid for each year from 1991 to date. [90072]

Mr. Straw: All applications for compensation for wrongful conviction are considered first under the provisions of section 133 of the Criminal Justice Act 1988, and then, if those requirements are not met, under the ex-gratia arrangements announced by the then Home Secretary in his reply to the then hon. Member for Beaconsfield, 29 November 1985, *Official Report*, columns *689–90*, by which I have agreed to be bound.

The readily available information requested relates only to successful applications. The average time taken from the date of application to a decision to pay compensation under the statutory or ex-gratia arrangements, for applications decided in 1991–98, was as follows:

Year	*Days*
1991	153
1992	75
1993	100
1994	122
1995	276
1996	309
1997	205
1998	37

TRADE AND INDUSTRY

"Sustainable Energy From Waste"

Mr. Stunell: To ask the Secretary of State for Trade and Industry what plans he has to publicise his Department's "Sustainable Energy from Waste" pamphlet; and if he will make a statement. [89118]

Mr. Battle: The Department of Trade and Industry's pamphlet "Sustainable Energy from Waste" was published on 8 June at the annual conference and

exhibition of the Institute of Wastes Management in Torbay. It was very well received and is being distributed through the Energy from Waste Association and other relevant trade bodies and through companies and local authorities actively supporting energy from waste as an essential element of an integrated approach to sustainable waste management. The pamphlet complements three other publications produced under the Department's new and renewable energy programme: "An Introduction to Household Waste Management"; "Energy from Waste—Best Practice Guide"; and "Household Waste Management—Some Examples of Current Practice". The latter publication was jointly sponsored with the Department of the Environment, Transport and the Regions (DETR) and all are available from the New and Renewable Energy Enquiries Bureau at ETSU, Harwell, Didcot, Oxfordshire, OX11 0RA (tel: 01235 432450). On 30 June DETR published "A Way With Waste—A Draft Waste Strategy for England and Wales" for public consultation. This envisages that increased recycling and energy from waste will be vital in the next decade. During the month of June 1999 the "Sustainable Energy from Waste" pamphlet was the single most requested publication from the New and Renewable Energy Enquiries Bureau. It will be publicised further in issue 41 of "New Review", the magazine for renewable energy, which is expected to be published at the end of July and will also be available from the New and Renewable Energy Enquiries Bureau.

Electricity Supply

Mr. Öpik: To ask the Secretary of State for Trade and Industry if he will make it his policy that all homes within the United Kingdom should be connected to mains electricity by the end of 2002; and if he will make a statement. [89851]

Mr. Battle: Obviously it is desirable that the relatively small number of homes without mains electricity (less than 1 per cent. of the total UK housing stock) should enjoy such a service. Unfortunately, since the majority of these households are in remote areas, the costs involved can be significant. As is recognised in existing legislation, it would be unfair for existing customers to subsidise the cost of connection to bring down the price for new ones. However, in cases where a supply has been requested and a quote for the connection has been given, the charge can be subject to determination by the Director General of Electricity Supply. Some remote communities have benefited from EU fund assistance with the cost of connection.

Energy Supplies (Millennium)

Mr. Bercow: To ask the Secretary of State for Trade and Industry what discussions Ministers have held regarding the maintenance of energy supplies over the millennium. [89858]

Mr. Wills: Action is being taken by my Department in co-ordination with the Cabinet Office, Action 2000 and the Regulator to monitor the progress being made by the energy sector to become millennium compliant. I am in regular contact with my colleagues to discuss progress.

Independent assessment has shown that the energy sector is well advanced in its compliance work and is on course for business as usual over the period of the millennium.

Millennium Compliance

Mr. Bercow: To ask the Secretary of State for Trade and Industry what assessment the Government have made of the millennium computer compliance of systems relating to the *(a)* Channel Tunnel and *(b)* supply of electricity from the French power grid. [89855]

Mr. Wills: The Channel Tunnel has been assessed by the Independent Safety Authority as being 100 per cent. blue in Action 2000 terms—as having no substantive risk of material disruption. There were no significant failures during a full scale test of the systems at the beginning of July. However, the systems will continue to be monitored for compliance and existing contingency planning arrangements will be under constant review over the coming months.

All control systems associated with the Anglo-French electricity Interconnector have successfully met all millennium compliance test criteria. Residual risks to Interconnector operation are currently being assessed and consideration is being given to part loaded operation over the millennium period to minimise the impact of unforeseen events.

The total capacity of the Interconnector is 2x1,000MW circuits; the installed generating capacity in England and Wales is more than 65,000MW, and the typical peak demand over New Year's Eve is likely to be in the order of 37,000MW.

The Government, Regulators and Action 2000 will continue to monitor the arrangements being made by those responsible for the provision of infrastructure services in seeking to ensure that it will be business as usual over the millennium period.

Ilisu Dam

Mr. Brake: To ask the Secretary of State for Trade and Industry if he will place in the Library a copy of the tendering documents which were sent to those companies wishing to seek export credit assistance in respect of the proposed Ilisu Dam. [90122]

Mr. Wilson: The Export Credits Guarantee Department does not require companies seeking export credit assistance to produce the tender document issued by the prospective buyer and therefore no copy is available.

Mr. Baker: To ask the Secretary of State for Trade and Industry what criteria the Export Credits Guarantee Department will apply in relation to the proposed Ilisu Dam. [90124]

Mr. Wilson: The Export Credits Guarantee Department will employ its normal underwriting criteria, to ensure that the provision of any support which it might give for this project involves an acceptable risk. Part of the underwriting process involves looking, with other Export Credit Agencies, at a range of issues, including the environmental and social aspects of the project. In this case, these include the resettlement of the local population and protection of cultural heritage. ECGD will also consider the economic and political risks involved.

Mr. Baker: To ask the Secretary of State for Trade and Industry if he will place in the Library the terms of reference for the report he has commissioned into the proposed Ilisu Dam. [90123]

Mr. Wilson: The terms of reference will be placed in the Library along with the report as soon as it is available.

Mr. Baker: To ask the Secretary of State for Trade and Industry if he will list those individuals, organisations, other Governments, other United Kingdom Government Departments and public bodies who are to be consulted *(a)* during the preparation of the report he has commissioned into the proposed Ilisu Dam and *(b)* before a decision is made to provide assistance in respect of the Dam under the Export and Investment Guarantees Act 1991. [90125]

Mr. Wilson: The Export Credits Guarantee Department (ECGD) is consulting other Government Departments including DTI, DFID, FCO, HMT and DETR, both with regard to the preparation of the report and on the provision of support, and has commissioned work from an international environmental consultancy and an independent social development expert. ECGD is also consulting other export credit agencies including the Swiss, American and German agencies. ECGD has discussed with relevant Turkish Government departments and public bodies.

Mr. Baker: To ask the Secretary of State for Trade and Industry whom he has commissioned to prepare an independent report into the proposed Ilisu Dam; when the report was commissioned; when he expects it to be finished; and how much it will cost. [90126]

Mr. Wilson: An international environmental consultancy was commissioned to carry out an independent review of the Swiss commissioned Environmental Impact Assessment. Discussions regarding the commissioning of this report commenced in May 1999 and it is expected to be finalised shortly. The estimated cost will be around £5,000.

Additionally, a field study is to be carried out by an independent social development expert to gauge the views of the local population. This report was commissioned in early June 1999. It is hoped that it will be carried out shortly. The estimated cost will be around £20,000.

Brewing Industry

Mrs. Browning: To ask the Secretary of State for Trade and Industry what assessment his Department has made of the effect of current takeover bids in the pub trade on the United Kingdom brewing industry. [89971]

Mr. Byers *[holding answer 6 July 1999]:* Where a merger qualifies for investigation under the Fair Trading Act 1973, the Secretary of State for Trade and Industry decides, in the light of the independent advice of the Director General of Fair Trading, whether or not to refer the merger to the Competition Commission for investigation. All cases are considered on their individual merits.

Tele-conferencing

Mr. Gordon Prentice: To ask the Secretary of State for Trade and Industry what assessment he has made of the growth of tele-conferencing in United Kingdom business; and if he will make a statement. [89929]

Mr. Wills: The Department of Trade and Industry's recently published international benchmarking study, "Moving into the Information Age 1999", shows that UK businesses are making increasing use of 'video-conferencing' (usage rose to 22 per cent. from 14 per cent. in the previous year), and lead the G7 countries in this area. No separate figures are collected for telephone conferencing.

The Department is encouraging further use of 'video-conferencing' through its Information Society Initiative, which encourages UK businesses to take better advantage of information and communications technologies to improve their performance.

Working Time Regulations

Mr. Colman: To ask the Secretary of State for Trade and Industry what plans he has to help business to implement the Working Time Regulations. [90594]

Mr. Byers: Today, I wrote to a number of representative groups to consult on two deregulatory amendments to the Working Time Regulations. The proposed amendments draw on our experience of the Regulations being in force for their first year and reflect the concerns that have been raised with us in that period. The proposed amendments will relieve some significant administrative burdens on employers, without removing the protection that the Directive provides to workers. A copy of the consultation letter has been placed in the Library of the House.

Unsolicited Faxes

Ms Atherton: To ask the Secretary of State for Trade and Industry what action he and his Department *(a)* have taken and *(b)* plan to take to tackle the problem of unsolicited faxes. [90182]

Mr. Wills: I refer my hon. Friend to my answer to the hon. Member for Faversham and Mid-Kent (Mr. Rowe) on 12 May 1999, *Official Report*, column *149*.

Libya

Mrs. Gillan: To ask the Secretary of State for Trade and Industry what *(a)* advice and *(b)* assistance has been provided by his Department to delegations intending to visit Libya. [90099]

Mr. Wilson: Following the suspension of UN Sanctions in April, the Department has encouraged several private sponsors of trade missions to take forward their plans for taking business delegations to Libya this summer and autumn. However, up until now that encouragement has fallen short of formal endorsement of particular missions or offering financial assistance. Without a functioning Commercial Section in a British Embassy in Tripoli, British Trade International is currently unable to offer the full range of assistance which is usually associated with visits which receive full Government assistance. We are actively pursuing the re-establishment, at the earliest opportunity, of a fully operational commercial section.

In light of the welcome announcement by my right hon. Friend the Foreign Secretary today, *Official Report*, columns 1033-43, on WPC Fletcher, I am able to outline the following staged approach to supporting trade promotion with Libya:

British Trade International's desk officer for Libya will travel next week with a trade mission. This will enable us to handle with first hand knowledge business inquiries and a planned programme of presentations and promotional events around the country. British Trade International has already established a WebPage to make available information on Libya as it becomes available.

We have invited sponsor organisations to apply for British Trade International support for trade missions in the period 2000–01. Officials are also discussing with other government departments their own plans for future trade missions and the possibility of Ministerial visits.

CULTURE, MEDIA AND SPORT

Air Passenger Duty

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport what discussions he has had with the Chancellor of the Exchequer regarding Air Passenger Duty. [89548]

Janet Anderson: We have had no discussions with the Chancellor specifically on Air Passenger Duty. However, I am aware of the industry's concerns and have passed these on to the Treasury.

Archaeology

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport when he last met and when he next intends to meet *(a)* the British Archaeological Trust and *(b)* the Council for British Archaeology. [89406]

Mr. Chris Smith *[holding answer 2 July 1999]:* My hon. Friend the Minister for Arts met the Council for British Archaeology on 17 November 1998. I have not yet met the British Archaeological Trust. Any future meetings with either body will be arranged as appropriate.

Special Advisers

Mr. Don Foster: To ask the Secretary of State for Culture, Media and Sport if he will list the subject and date of each written briefing prepared by his Special Advisers for all Labour Members since May 1997 and the total number and total cost to date of these. [89990]

Mr. Chris Smith *[holding answer 6 July 1999]:* Special Advisers are appointed under terms and conditions set out in the Model Contract for Special Advisers. Schedule 1, Part 1 of the Model Contract sets out the role and duties of Special Advisers. As well as research for Ministers and reviewing papers, contributing to policy planning within the Department and preparing policy papers, speechwriting and liaison with outside interest groups, their role explicitly includes liaising with the Party and helping to brief Party MPs. Records are not held of when such briefings are given. Similar arrangements have applied under successive Governments.

Films

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport how many films supported by the National Lottery have been released through British-owned distributors; and what proportion this represents of the total number of Lottery-funded films. [89408]

Mr. Chris Smith *[holding answer 2 July 1999]:* To date, 53 Lottery-funded feature films have already been released, await release or are in production/post-production with assured distribution. Of these, 31 films have been or will be distributed by British-owned distributors. This represents 58.5 per cent. of that total.

TREASURY

Pensions

Mr. Webb: To ask the Chancellor of the Exchequer what estimate he has made of the number of people who are currently taking advantage of the option to drawdown capital from their pension fund rather than purchasing an annuity. [89462]

Dawn Primarolo: This information is not collected, but indications from pensions industry sources are that around 30,000 people may have income drawdown arrangements.

Child Poverty

Mr. Chope: To ask the Chancellor of the Exchequer, pursuant to the answer to the hon. Member for Birmingham, Edgbaston (Ms Stuart) of 24 June 1999, *Official Report*, column *457*, what definition he used for a child in poverty; and, using that definition, what estimate he has made of the number of children in poverty *(a)* at present and *(b)* by the end of 2002. [90087]

Dawn Primarolo *[holding answer 6 July 1999]:* For the definition of child poverty, I refer the hon. Member to the written answer which the Economic Secretary gave to the hon. Member for Northavon (Mr. Webb) on 14 April 1999, *Official Report*, columns *244–45*. The latest data on the number of children living in low income households can be found in "Households Below Average Income, 1979–1996/7", which is published by the Department for Social Security.

Higher-rate Taxpayers

Mr. Gordon Prentice: To ask the Chancellor of the Exchequer what is the percentage of taxpayers who are higher-rate taxpayers *(a)* in each county in England and *(b)* in equivalent areas in (i) Scotland, (ii) Wales and (iii) Northern Ireland. [89812]

Dawn Primarolo: The table shows approximate estimates of the percentage of taxpayers who are subject to higher rate tax for 1996–97, the latest year for which these estimates are available. These estimates are based on a sample survey and the sample size is not large enough to allow separate estimates to be made for some unitary authorities in Scotland and Wales or for Northern Ireland areas other than Belfast.

Area	Percentage of higher rate taxpayers
England	9
North East	
Former County of Cleveland	6
Durham	5
Northumberland	8
Tyne and Wear	4
North West and Merseyside	
Cheshire	9
Cumbria	6
Greater Manchester	6
Lancashire	6
Merseyside	5
Yorkshire and the Humber	
Former County of Humberside	6
North Yorkshire	8
South Yorkshire	5
West Yorkshire	6
East Midlands	
Derbyshire	6
Leicestershire	8
Lincolnshire	7
Northamptonshire	8
Nottinghamshire	6
West Midlands	
Hereford and Worcester	8
Shropshire	7
Staffordshire	5
Warwickshire	11
West Midlands	5
Eastern	
Bedfordshire	10
Cambridgeshire	11
Essex	11
Hertfordshire	14
Norfolk	6
Suffolk	7
London	12
South East	
Berkshire	15
Buckinghamshire	18
East Sussex	8
Hampshire	10
Isle of Wight	3
Kent	8
Oxfordshire	13
Surrey	18
West Sussex	11
South West	
Former County of Avon	8
Cornwall	5
Devon	5
Dorset	8
Gloucestershire	8
Somerset	6
Wiltshire	8
Scotland	7
Aberdeen City Unitary Authority	9
Aberdeenshire Unitary Authority	11
Angus Unitary Authority	10
Argyll and Bute Unitary Authority	11
Dumfries and Galloway Unitary Authority	3
Dundee City Unitary Authority	6
East Dumbartonshire Unitary Authority	6
East Lothian Unitary Authority	7
East Renfrewshire Unitary Authority	14
Edinburgh, City of Unitary Authority	10
Fife Unitary Authority	6
Glasgow City Unitary Authority	3
Highland Unitary Authority	7
Moray Unitary Authority	6
North Ayrshire Unitary Authority	8
North Lanarkshire Unitary Authority	4
Perth and Kinross Unitary Authority	8
Renfrewshire Unitary Authority	6
Scottish Borders, The Unitary Authority	8
South Ayrshire Unitary Authority	8
South Lanarkshire Unitary Authority	7
Stirling Unitary Authority	7
Rest of Country	4
Wales	
Carmarthenshire Unitary Authority	3
Cardiff Unitary Authority	3
Conwy Unitary Authority	6
Flintshire Unitary Authority	6
Gwynedd Unitary Authority	6
Monmouthshire Unitary Authority	4
Powys Unitary Authority	5
Swansea Unitary Authority	3
The Vale of Glamorgan Unitary Authority	5
Wrexham Unitary Authority	7
Rest of country	6
Northern Ireland	3
Belfast	5
Rest of country	6
	5

Note:
'Rest of country' covers areas where sample sizes were too small to allow reasonable estimates to be made for individual areas.

Personal Incomes

Mr. Llew Smith: To ask the Chancellor of the Exchequer if he will list the average personal income levels for each parliamentary constituency. [89713]

Dawn Primarolo: I regret that the information requested is not available.

Sanitary Products (VAT)

Mr. Llwyd: To ask the Chancellor of the Exchequer what representations he has received on reducing the rate of VAT on sanitary products. [89965]

Dawn Primarolo: In the last two years Treasury Ministers have received almost three hundred letters and a few small-scale petitions on reducing the rate of VAT on sanitary products. There have also been two early-day motions on the subject.

Drug Trafficking

Mr. Beith: To ask the Chancellor of the Exchequer for the latest period for which information is available, how many drug trafficking groups which deal primarily in Class A drugs were disrupted or dismantled by enforcement agencies; and if he will make a statement. [87445]

Dawn Primarolo: The latest figures from HM Customs and Excise show that 131 and 104 drug trafficking groups were disrupted or dismantled in 1997–98 and 1996–97 respectively. These do not identify Class A drugs separately.

From the year 2000, all relevant agencies will be required to collect information showing the number of drug trafficking groups disrupted or dismantled each year, and will identify Class A drugs separately.

National Savings

Ms Lawrence: To ask the Chancellor of the Exchequer what performance targets have been set for National Savings for 1999–2000. [90496]

Ms Hewitt: National Savings has as its declared aim to add value by helping to reduce the costs to the taxpayer of Government borrowing and by supporting Government savings policies. This is supported by two objectives:

to market Government debt to retail investors so as to help to minimise the combined cost and risk of the total national debt and to contribute to the Government's funding needs;

to promote Government savings policies among personal investors.

In meeting these objectives the Agency will operate cost effectively and in a competitive and commercial manner that does not distort the savings market; and in a manner that benefits both Government and the retail saver—now and in future. During 1999–2000 National Savings will be set the following challenging targets:

i. To work within the terms of the funding remit for 1999–2000;

ii. Following the outsourcing of National Savings' operations, by 31 March 2000 to implement a productivity measure to monitor cost reductions;

iii. No less than 97 per cent. of all customer sales documentation to be issued within the published time scales;

iv. No less than 97 per cent. of all customer sales documentation to be 100 per cent. accurate;

v. No less than 97 per cent. of all customer payments documentation to be issued within the agreed time scales;

vi. No less than 97 per cent. of all customer payments documentation to be 100 per cent. accurate;

vii. No less than 97 per cent. of after sales customer correspondence to be responded to within agreed time scales;

viii. To introduce a new Pensioners Bond by mid July 1999;

ix. To agree a new contract with POCL, by 30 September 1999, which secures improved commercial practice and enables development of a new relationship to incentivise value, service and cost competitiveness;

x. To achieve IiP accreditation by 2000;

xi. To make firm proposals for the resolution of the historic transaction accounting discrepancies by 31 October 1999;

xii. To publish the first full set of audited product accounts by 31 December 1999.

The funding remit sets out the costs and volume assumption that National Savings works to. The remit was published in the Debt Management report issued in March 1999.

AGRICULTURE, FISHERIES AND FOOD

EU Chocolate Directive

Mr. Gibb: To ask the Minister of Agriculture, Fisheries and Food if he will list the European Commission's objections to the proposed comitology provisions of the proposed EU Chocolate Directive. [90091]

Mr. Rooker: The Commission objected to a part of the proposed Directive which limited its powers to make technical changes to the law. However, I am pleased to say that a new Presidency compromise has now received Commission support and I am hopeful that a Common Position will be achieved during the Finnish Presidency.

Wild Boar

Mr. Green: To ask the Minister of Agriculture, Fisheries and Food what plans he has to encourage individual identifications of wild boar on farms; and if he will make a statement. [89939]

Mr. Rooker: There are no plans to require that wild boar be individually identified on farms. Producers are free to do so if they want.

Intervention Food Stocks

Mr. Llew Smith: To ask the Minister of Agriculture, Fisheries and Food what was the daily cost to the European Union for the destruction of intervention food stocks in the last year for which figures are available. [89833]

Mr. Rooker: Except in comparatively rare instances where they became damaged in store, intervention stocks of cereals, beef and milk products are sold back onto the market when circumstances permit.

Special arrangements exist for recognised producer groups to withdraw from the market certain fish and fruit and vegetables subject to their meeting the required grading standards. Withdrawn fish stocks may be returned to the sea or denatured for use in the production of fish meal. Fruit and vegetable stocks are destroyed by biodegradation or composting but may also be provided free to non-profit making organisations where their use can be shown to be additional to the organisations' normal requirement.

Unpublished EU figures[1] for the financial year ended 15 October 1998 show the total cost of compensation paid to producer groups as:

	£ million
Fruit and vegetables	96.56
Fish	6.98

Separate figures for the various means of disposal are not available.

Figures for the UK are:

	£ million
Fruit and vegetables	1.89
Fish	1.89

In the marketing year 1998–99 the UK supplied fruit and vegetables to the value of £14,100 to non-profit making organisations.

Withdrawals occur on a seasonal basis and the daily cost could only be determined by assuming that the expenditure was spread evenly over the year.

Source:

EU Commission DGVI GI Data

Ecu converted to UK £ using representative rate current at 31 December 1998.

Advisory Committee on Novel Foods and Processes

Dr. Tonge: To ask the Minister of Agriculture, Fisheries and Food what qualifications are needed for membership of the Advisory Committee on Novel Foods and Processes; and if he will list the members of the committee. [89525]

Mr. Rooker: Members of the Advisory Committee on Novel Foods and Processes (ACNFP) are appointed by Ministers so as to ensure that the Committee has a broad spectrum of relevant scientific expertise and knowledge at its disposal, including that in nutrition, microbiology, genetic modification, food technology, immunology, toxicology and allergy. In addition it has members with experience in consumer affairs and ethics.

The membership of the ACNFP is currently as follows:

Professor J. Bainbridge BSc, PhD, Grad. Cert. Ed. (Tech.), MOSFHT, FRSA—(Chair)
Director of Science and Technology, University of Teesside

Dr. M. J. Gasson BSc, PhD—(Deputy Chair)
Head, Genetics and Microbiology Department, Institute of Food Research, Norwich

Professor P. J. Aggett MSc, MB, ChB, FRCP(L)(E)(G) DCH
Head of Lancashire Postgraduate School of Medicine and Health

Dr. Philip Dale BSc, PhD
Research Group Leader, Genetic Modification and Risk Assessment, John Innes Centre, Norwich

Dr. J. Heritage BA, DPhil, MLBiol
Senior Lecturer in Microbiology at the University of Leeds

Professor D. A. Ledward MSc, PhD FIFST
Professor of Food Science, University of Reading

Reverend Dr. M. Reiss BSc, MA, PhD, FIBiol
Senior Lecturer, Homerton College, University of Cambridge (ethical adviser)

Mrs. E. Russell BSc
Consumer Representative

Professor I. Rowland BSc, PhD
Professor of Human Nutrition at the University of Ulster; Head of Northern Ireland Centre for Diet and Health

Professor T. A. B. Sanders BSc, PhD
Head of Department of Nutrition and Dietetics, Kings College, London

Professor H. Sewell MB, ChB, BDS, Msc, PhD, FRCP (L) (G), FRCPath, F. Med. Sci
Head of Immunology, Faculty of Medicine and Health Science, University Hospital Medical School, Nottingham

Dr. N. A. Simmons FRC Path. FIFST
Emeritus Consultant in Microbiology, Guy's and St. Thomas' Hospital Trust, London

Professor R. Walker PhD. CChem. FRSC FIFST
Emeritus Professor of Food Science, University of Surrey

Professor J. Warner MB, ChB, DCH, MRCP, MD, FRCP, MRCPCH, FRCPCH
Professor of Child Health at University of Southampton

Professor H. F. Woods BSc, BM, BCh, DPhil, FFPM, FRCP (London and Edin).
Sir George Franklin Professor of Medicine, University of Sheffield (Chairman of the Committee on Toxicity of Chemicals in Food, Consumer Products and the Environment).

Monsanto

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food if he will list the trips, facilities, gifts and other offerings of a financial value provided by Monsanto to *(a)* Ministers and *(b)* civil servants in his Department since 1 May 1997. [88955]

Mr. Rooker *[holding answer 29 June 1999]:* I am not aware of any trips, facilities, gifts or other offerings of a financial value being provided by Monsanto to Ministers or officials in this Department since 1 May 1997.

Chemical Residues (Crops)

Joan Ruddock: To ask the Minister of Agriculture, Fisheries and Food if he will list the chemical residues retained as a result of crop treatment in *(a)* imported US genetically modified soya and *(b)* imported non-enetically modified soya. [88942]

Mr. Rooker: Two genetically modified (GM) types of soya are currently grown in the USA. One is tolerant to the herbicide glyphosate, and the other to the herbicide glufosinate-ammonium.

Experimental studies indicate that two major residues may be found in glyphosate treated soya. The residues concerned are glyphosate itself and its metabolite aminomethylphosphonic acid (AMPA). These two residues occur in both conventionally bred soya and genetically modified (GM) glyphosate tolerant soya. However, the levels of the metabolite AMPA are generally higher in GM crop.

In the case of glufosinate-ammonium the major residue in conventionally bred varieties is glufosinate. In GM varieties the major components of the residue are glufosinate and a metabolite n-acetyl glufosinate.

Slaughterhouses

Mr. Paterson: To ask the Minister of Agriculture, Fisheries and Food how many invitations *(a)* he and *(b)* the Minister have received to visit slaughterhouses since their appointments; and how many each has visited. [88337]

Mr. Nick Brown: My hon. Friend the Minister of State has visited slaughterhouses on eight occasions since 1 May 1997.

LORD CHANCELLOR'S DEPARTMENT

Trial Postponements

Mr. Gordon Prentice: To ask the Parliamentary Secretary, Lord Chancellor's Department how many trials have been *(a)* postponed and *(b)* rescheduled to fit in with the trial judge's social and holiday commitments in the last 12 months to date; and if he will make a statement. [89556]

Mr. Vaz: The information is not kept.

Company Liability

Mr. Clapham: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will take steps to ensure that companies are legally liable for injuries caused to overseas workers as a result of operational decisions taken in the United Kingdom; and if he will make a statement. [89350]

Mr. Vaz *[holding answer 2 July 1999]:* Under English and Scots law companies are liable for injuries to their workers caused by their negligence. The courts decide in accordance with well established legal principles under each legal system whether claims may proceed in the English or the Scottish courts when it is alleged that the cause of injuries to overseas workers was operational decisions taken in the United Kingdom. The Government has no plans to legislate in this area.

Mr. Clapham: To ask the Parliamentary Secretary, Lord Chancellor's Department what steps he plans to bring UK law into line with Article 2 of the 1968 Brussels Convention on court action against companies registered abroad. [89349]

Mr. Vaz *[holding answer 2 July 1999]:* Under Article 2 of the 1968 Brussels Convention on Jurisdiction and Recognition and Enforcement of Judgments in Civil and Commercial Matters, to which the United Kingdom is a party, a defendant is entitled to be sued in the courts of a member state of the European Union where he is domiciled. Once this basis of Jurisdiction has been established the courts of that state generally have no discretion to refuse to hear the case. However, this rule applies only to those cases falling within the scope of the Convention. In all other instances, and notwithstanding that jurisdiction has otherwise been established under English law, a court in England and Wales has a discretion to refuse to hear a case if in all the circumstances of that case it is satisfied that there is another jurisdiction which is clearly more appropriate to hear the case. The courts in England and Wales apply this long-established discretion in the interests of all the parties and the ends of justice and the Government has no plans to amend it.

Mortgage Repossessions

Mr. Gordon Prentice: To ask the Parliamentary Secretary, Lord Chancellor's Department how many court actions for mortgage repossessions were brought at Newton county court in each year since 1990. [89680]

Mr. Vaz: This question relates to Nelson county court. The numbers of mortgage actions between 1990–98 were:

Year	*Actions entered*
1990	238
1991	286
1992	277
1993	203
1994	205
1995	235
1996	214
1997	180
1998	246

Asylum Seekers

Mr. Allan: To ask the Parliamentary Secretary, Lord Chancellor's Department what guidance has been issued to magistrates and crown courts on the trial and sentencing of asylum seekers who have been stopped in transit in the United Kingdom for bearing false documents. [89673]

Mr. Vaz: There are no guidelines for trials in these precise circumstances. Like any other criminal trial, such cases are subject to the relevant statutory provisions, rules of court, practice directions, and case law. There are also no guideline judgments reported on sentencing in these circumstances. Within the statutory sentencing framework laid down by Parliament, the nature and severity of penalties imposed by the courts are matters of judicial discretion. Guidance can however be found in recent decisions by the Court of Appeal (Criminal Division), in particular in *Ali* Osman (1999) 1CR.APP.R.(S.) 230 and *Daljit* Singh (1999) 1CR.APP.R.(S.)490.

Police Authority-Magistrates Court Committee Chairmen

Mr. Barry Jones: To ask the Parliamentary Secretary, Lord Chancellor's Department what is his estimate of the number of people in England and Wales who are both chairman of a police authority and of a magistrates court committee where the areas of operation are approximately the same; and if he will make a statement. [89725]

Mr. Vaz: Of those areas where the magistrates courts committee is approximately the same as the police authority area, there is one area where the same individual is chairman of both the police authority and magistrates court committee.

CABINET OFFICE

Women's Organisations (Consultation)

Jackie Ballard: To ask the Minister for the Cabinet Office if he will list the women's organisations which have been consulted over proposed legislation by his Department during this session; and if their responses have been published. [87273]

Mr. Kilfoyle: The Government is committed to making sure that policies are inclusive and take full account of the needs and experience of all those affected by them. Guidelines on Policy Appraisals for Equal Treatment published in November 1998 commit policy makers to assessing how proposals affect different groups of people.

Application of guidance is the responsibility of individual Departments. Within this Department we are making use of consultation, research projects and desegregated statistics to identify the impact of policy upon women.

The only piece of legislation that this Department is responsible for in the current session is the House of Lords Bill.

Details of our consultation document "Reform of the House of Lords" were published in the Women's National Commission Briefing, which was issued to their 50 full and 33 associate members on 1 April 1999. Some requests for the document were received, but no further representations.

The present under-representation of certain elements of our society within the House of Lords is an issue that needs to be rectified. As a first, self-contained, step we intend to remove the rights of hereditary peers to sit and vote in the House of Lords. We are determined to remove the hereditary peers from the House of Lords because we simply do not accept, as a matter of principle, that in social, economic or, above all, by gender or ethnic origin the hereditary peers can reasonably be considered to be representative of the people of the country. Women are grossly under-represented in the House of Lords; they constitute just 2.5 per cent. of the hereditary peers.

The Royal Commission on the reform of the House of Lords will report back at the end of this year with recommendations for wide-ranging reform of the House of Lords. It will address the role that a fully reformed House should fulfil and it will consider how to bring the best possible range of representatives into the second chamber, whether by direct or indirect election, nomination or a combination of these methods.

A nominated, or partly nominated, chamber has the advantage of widening the possible range of representation. Gender, ethnicity, region, age—all these areas can be represented within a chamber that includes an element of nomination.

Statutory Instruments

Dr. Fox: To ask the Minister for the Cabinet Office what percentage of statutory instruments introduced by his Department into Parliament in *(a)* 1998, *(b)* 1992, *(c)* 1985 and *(d)* 1973 had the European Union as their legislative source. [89168]

Mr. Kilfoyle: The total number of statutory instruments (SIs) registered as General Instruments in 1998, 1992, 1985 and 1973 is listed in the table. I have indicated the number of SIs which were made by my Department and its predecessors to comply with European Community obligations.

Year	*Number of SIs*	*Number implementing EC obligations*
1998	1,565	0
1992	1,692	0
1985	1,204	0
1973	1,260	0

Older People (Public Services)

Mr. Chope: To ask the Minister for the Cabinet Office (1) what estimate he has made of the number of older people who have received improved public services as a result of the first year of the Better Government for Older People Programme; [90068]

(2) how many copies of "Making it Happen", the report of the first year of the Better Government for Older People Programme have been produced; at what cost; and to whom unsolicited copies have been sent; [90063]

(3) if he will list the improvements made to public services as a result of the first year of the Better Government for Older People Programme; [90067]

(4) what was the cost to public funds of the first year of the Better Government for Older People Programme. [90069]

Mr. Kilfoyle: The Better Government for Older People Programme (BGOP) began in April 1998 and runs until April 2000. It is steered by a partnership led by the Cabinet Office and supported by Age Concern, Anchor Trust, the Carnegie Third Age Programme, Help the Aged, the Local Government Association and the Warwick University Local Authorities Research Consortium. It is an important part of the drive to modernise government so that public services are better equipped for the 21st Century. The Modernising Government White Paper sets as one of its targets that, by the end of the year 2000, older people should benefit from joined up services and integrated planning in at least half our local authorities.

Older people represent a significant and growing proportion of the population. For example, there are currently 10.5 million people over state pension age in the UK. This figure is expected to have increased to around 15 million by 2040, by which date 24 per cent. of the UK's population—the highest percentage in the EU—will be 60 or over. All these people, and many others, are the potential beneficiaries of the BGOP Programme.

Evaluation is an ongoing and integral part of BGOP. We will publish the results when the Programme comes to an end. Older people are already beginning to feel the benefit of improvements achieved at the local level by the 28 pilot projects, many examples of which are featured in "Making It Happen", the report of the first year of the BGOP Programme. But by far the biggest group of potential beneficiaries is those who will experience better-designed and delivered public services as a result of learning from the pilot projects.

BGOP's Learning Network brings together older people, the pilots and other partners in the Programme as well as local authorities. Its role is to help examine what does and does not work in relation to public services used by older people. It will inform the development of good practice and new models for better service delivery in the future. It links, through the Cabinet Office and the Inter-Ministerial Group on Older People to central government.

7,000 copies of "Making It Happen" have been printed at a cost of £9,925. Copies are being sent to all MPs, party leaders in the House of Lords, local authority chief executives, the pilot projects, all members of BGOP's Learning Network and others who have asked to be kept

informed of developments. We are doing this to spread good practice, raise awareness and keep Parliament informed about the Programme.

As one of the six partner organisations steering the Programme, the Cabinet Office provides £51,000 per annum to support the work of the Programme's Core Team, which co-ordinates its activities. Other Departments making substantial contributions include £154,000 from the Home Office, £30,000 from the Department for Education and Employment and £30,000 from the Health Education Authority. Further contributions and support come from the other Programme partners, the 28 local authorities leading the pilots and their partner organisations. The programme raises additional funds from charging local authorities for membership of the Learning Network.

The overall cost of the Programme (including contributions from partner organisations) is estimated to be around £750,000 in the 1998–99 financial year. This represents an excellent investment in ensuring that older people receive in the future the improved public services they deserve.

Special Advisers

Mr. Don Foster: To ask the Minister for the Cabinet Office if he will list the subject and date of each written briefing prepared by his Special Advisers for all Labour Members since May 1997 and the total number and total cost to date of these. [89986]

Dr. Jack Cunningham: Special Advisers are appointed under terms and conditions set out in the "Model Contract for Special Advisers". Schedule 1, Part 1 of the Model Contract sets out the role and duties of Special Advisers. As well as research for Ministers and reviewing papers, contributing to policy planning within the Department and preparing policy papers, speechwriting and liaison with outside interest groups, their role explicitly includes liaising with the Party and helping to brief Party MPs. Records are not held of when such briefings are given. Similar arrangements have applied under successive Governments.

EDUCATION AND EMPLOYMENT

Class Sizes

Mr. Woolas: To ask the Secretary of State for Education and Employment what estimate he has made of the annual cost of reducing class sizes to 25 for all primary school children. [89375]

Ms Estelle Morris: We have estimated that the cost would be around £3 billion, made up of about £1 billion a year for extra teachers and around £2 billion for the capital investment required. Eventual costs would depend on a range of factors affecting implementation, including the results of local consultation, the availability of existing accommodation and parental preference.

Archaeology

Mr. Peter Ainsworth: To ask the Secretary of State for Education and Employment what plans he has to develop NVQs in archaeological studies. [89401]

Mr. Mudie *[holding answer 2 July 1999]:* The development and maintenance of NVQs is undertaken by National Training Organisations. Since April 1998 archaeology has been the responsibility of the Cultural Heritage NTO. It was previously covered by the environmental lead body, COSQUEC. The first NVQs, accredited in 1994, were removed in 1998 from the national framework by the Qualifications and Curriculum Authority (QCA) as there was very low take up.

The Cultural Heritage NTO is waiting for the findings of an archaeological training needs study called "Profiling the profession", being undertaken by the Archaeological Training Forum, before making a new case for NVQs. The report is expected in autumn 1999.

New Deal

Mr. Bercow: To ask the Secretary of State for Education and Employment what assessment he has made of the effect of the national minimum wage on the costs to employers of New Deal recruits. [89422]

Mr. Andrew Smith *[holding answer 2 July 1999]:* From April 1998 to end of March 1999, the monthly average of New Deal participants entering jobs was 7,600. During April 1999, after the introduction of the national minimum wage, 12,400 entered jobs.

As part of the national evaluations of New Deal for Young People and New Deal for the Long Term Unemployed we are carrying out a survey of participating employers. This will include questions on the wages being paid to New Deal employees (for example gross starting pay; hourly rate; most recent gross pay; whether or not the wages are the same as for the previous job holder and why not). Any references by employers to the national minimum wage and its impact will be recorded. The survey is taking place in the autumn of this year and will involve face-to-face interviews with 1,500 participating employers.

Mr. Bercow: To ask the Secretary of State for Education and Employment what estimate he has made of the numbers of participants in New Deal programmes who have not obtained a job after they have completed their participation. [89415]

Mr. Andrew Smith *[holding answer 2 July 1999]:* The information is available from the published Government Statistical Service statistics. They show that between January 1998 and April 1999 32,000 people left New Deal for Young People for known destination other than jobs. An additional 49,420 left for an unknown destinations. However, a recently published study reports on a survey of a sample of those leaving New Deal for unrecorded destinations between April and August 1998. Of all those who responded to the survey, 43 per cent. stated they had left New Deal to go into paid employment.

Sure Start

Mr. Quinn: To ask the Secretary of State for Education and Employment what progress has been made with the Trailblazer Round of the Sure Start programme. [90595]

Ms Jowell: Today, my right hon. Friends the Chancellor of the Exchequer and the Secretary of State for Education and Employment announced a further 30 Sure Start trailblazers. They are part of the first round

of a £450 million investment over 3 years in 250 local programmes across England. Sure Start will combine health care, good quality early learning and family support services to improve life chances of under fours in areas of disadvantage, so that children are ready to thrive at school.

The 30 trailblazers announced today are based in:

Blackburn with Darwen, Blackpool, Bradford, Copeland, Derby, Doncaster, Enfield, Fenland, Great Yarmouth, Greenwich, Halton, Hastings, Knowsley, Mansfield, Newham, North East Lincolnshire, Norwich, Oldham, Penwith, Plymouth, Redcar and Cleveland, Sandwell, Sedgemoor, Southampton, Stoke-on-Trent, Telford and Wrekin, Thurrock, Tower Hamlets, Waltham Forest, Wolverhampton.

SOCIAL SECURITY

Climate Change Levy

Mr. Pearson: To ask the Secretary of State for Social Security what estimate he has made of *(a)* the cost of the climate change levy to his Department and *(b)* the savings from the reduction in national insurance contributions that will occur when it is introduced. [88861]

Mr. Timms: The net impact of the climate change levy and the associated reduction in the main rate of employers' National Insurance Contributions on the Department of Social Security will depend on the rates of climate change levy. The final rates of climate change levy will not be set until Finance Bill 2000.

In addition, we are still considering a number of detailed issues on the tax treatment of different energy products which could have a significant impact in some instances. It is, therefore, not possible to give definitive figures about the impact of the climate change levy on the Department of Social Security.

Tax-benefit Models

Mr. Goggins: To ask the Secretary of State for Social Security (1) if he will publish tax-benefit model tables under the system operating when the working families tax credit is introduced for a lone mother with two children aged under 11, where her earnings are *(a)* nil, *(b)* £3 per hour and *(c)* £3.60 per hour, where, if she is an earner, she works for (i) five hours, (ii) 10 hours, (iii) 15 hours, (iv) 20 hours, (v) 25 hours, (vi) 30 hours, (vii) 35 hours, (viii) 40 hours, (ix) 45 hours and (x) 50 hours, where she has to pay average council house rent and council tax, and where, if she is an earner, she has child care costs of (A) £20, (B) £30, (C) £40, (D) £50 and (E) £60; [89313]

(2) if he will publish tax-benefit model tables under the existing system for a lone mother with two children aged under 11, where her earnings are *(a)* nil, *(b)* £3 per hour and *(c)* £3.60 per hour, where, if she is an earner, she works for (i) five hours, (ii) 10 hours, (iii) 15 hours, (iv) 20 hours, (v) 25 hours, (vi) 30 hours, (vii) 35 hours, (viii) 40 hours, (ix) 45 hours and (x) 50 hours, where she has to pay average council house rent and council tax, and where, if she is an earner, she has child care costs of (A) £20, (B) £30, (C) £40, (D) £50 and (E) £60; [89297]

(3) if he will publish tax-benefit model tables under the system operating when the working families tax credit is introduced for a married couple with two children aged under 11, with average council house rent and council tax, where there is *(a)* no earner, *(b)* one earner on £3 per hour and *(c)* one earner on £3.60 per hour and where, if there is an earner, he works for (i) five hours, (ii) 10 hours, (iii) 15 hours, (iv) 20 hours, (v) 25 hours, (vi) 30 hours, (vii) 35 hours, (viii) 40 hours, (ix) 45 hours and (x) 50 hours. [89309]

Angela Eagle: The information has been placed in the Library.

Cabinet Joint Consultative Committee

Mr. Gordon Prentice: To ask the Secretary of State for Social Security how many meetings of the JCC he has attended. [89281]

Mr. Darling: I refer my hon. Friend to the written answer from my right hon. Friend the Prime Minister on 5 July 1999, *Official Report*, columns *362–63*.

Disabled People

Mr. Wigley: To ask the Secretary of State for Social Security, pursuant to his answer of 4 March 1999, *Official Report*, column *882*, on disabled people, when he expects to take a decision on the need for a take-up campaign for disability benefits. [89378]

Mr. Bayley: We have no plans for a take-up campaign at the present time. However, the potential take-up of benefits is increased through greater public confidence about decisions on entitlement, and we continue to work with disability organisations to improve the administration of Disability Living Allowance and Attendance Allowance, and to ensure that decisions about entitlement are right at the outset and are kept correct.

Non-working Parents

Mr. Fabian Hamilton: To ask the Secretary of State for Social Security if he will make a statement on the position under the social security system of women who stay at home in order to look after children. [89889]

Angela Eagle: We recognise the need to provide practical support to help parents do their best for their children. That is why we have put into place a series of measures which open up choices for parents, including the highest ever increase in Child Benefit, the New Deal for Lone Parents, the National Childcare Strategy and the Working Families Tax Credit (including the child care tax credit).

In addition, our plans for the Second State Pension will build on safeguards already offered by the Home Responsibilities Protection scheme to help those whose work records are interrupted by caring responsibilities build up a worthwhile retirement income.

For women who stay at home to look after their children access to contributory benefits is based on their own or, as appropriate, their husband's national insurance record and the ability to satisfy the benefit entitlement conditions. Income related benefits will be based on the needs and income of the family unit.

Mr. Fabian Hamilton: To ask the Secretary of State for Social Security if he will take steps to support parents who remain at home to look after their children by paying a benefit directly to the parent. [89880]

Angela Eagle: We have no plans to pay a benefit direct to a parent for remaining at home to care for a child other than the provisions already in place to support lone parents and parents of children with disabilities.

We have a role in ensuring that all families have an adequate level of income, whether in work or out of work. We have put into place a series of improvements and changes to benefits which support all families and which target families with lower incomes in particular. We have increased Child Benefit by the largest ever amount, we are introducing the Working Families Tax Credit with its integral child care tax credit (and which can be paid directly to the carer where a couple choose) and we are bringing in the Children's Tax Credit from 2001 which will be worth up to £416 a year for taxpaying families with children.

Housewives

Mr. Fabian Hamilton: To ask the Secretary of State for Social Security what plans he has to treat housewives as independent individuals for social security purposes. [89888]

Angela Eagle: Women are already treated as independent individuals for most contributory benefit purposes (apart from Widow's Benefit or where an addition for an adult dependant is being claimed). Within the income related benefits we target benefit on those in greatest need by looking at the family unit. A couple is treated as a single unit and benefit calculated on the basis of the couple's needs and resources.

SCOTLAND

Vaccine Damage

Mr. Ian Stewart: To ask the Secretary of State for Scotland how many children in Scotland to date have received compensation under the Vaccine Damage Payments Act 1979. [89160]

Mr. Bayley: I have been asked to reply.

Sixty children who were vaccinated in Scotland have received payment under the Vaccine Damage Payments Act 1979. Information on the number of children currently living in Scotland who have received payments under the Act is not available.

The payments are neither compensation nor an interim payment. They are designed to ease the present and future burdens of those suffering from vaccine damage and their families.

INTERNATIONAL DEVELOPMENT

European Communities Working Groups

Mr. Bercow: To ask the Secretary of State for International Development if she will list the European Communities working groups which met over the last 12 months with a representative from her Department in attendance; if she will list the number of times each met; if she will indicate the nature of the Government's representation; and if she will make a statement. [88485]

Clare Short: To answer the question in the format requested would be subject to the disproportionate cost rule. In general, UKREP attend most EC working group meetings. The need for DFID staff participation is decided according to the agenda for each meeting.

Listed are the working groups with which DFID are most closely involved and the usual frequency of meetings:

Working Group	*Frequency*
Development Co-operation	Weekly
ACPFIN	Monthly
Food Aid Post Lome	Meeting about twice per week during current treaty negotiations. At other times meetings would be quarterly
ACP Working Group	Monthly
GSP	Quarterly

This Department also follows the outcome of a range of other working groups on subjects that have a bearing on DFID responsibilities, as below:

Asia and Oceania

Central Europe

Eastern Europe and Central Asia

Asia/Latin America

Maghreb/Mashraq

Western Balkans.

In addition, DFID staff also attend a number of EC management committee meetings chaired by the Commission covering EC programme/project management issues including European Development Fund (EDF) and the Asia Latin America, Mediterranean, Phare, Tacis, Humanitarian Aid and Food Aid programmes.

Sudan

Mr. Paul Marsden: To ask the Secretary of State for International Development if she will make a statement on what assistance the Government are giving to support a peaceful resolution of the conflict in Sudan. [90050]

Clare Short: We are pressing throughout the international system for more effort towards a peaceful resolution of the conflict in Sudan. We are working in particular with the Inter-Governmental Authority on Development (IGAD) and with the IGAD Partners Forum.

At the latest meeting of the IGAD Partners Forum on 10 March in Oslo, proposals for a special envoy and dedicated secretariat to maintain a sustained and accelerated peace negotiation were accepted in principle. We are pursuing the implementation of these proposals before the next IGAD peace talks take place between the Government of Sudan and the SPLA; these are scheduled for 18–23 July.

Child Labour

Mr. Cox: To ask the Secretary of State for International Development if she will list the countries with which her Department held discussions in 1998 with regard to the use of child labour for making goods imported into the United Kingdom; and if she will make a statement. [89925]

Clare Short: There have been no direct bilateral discussions, but throughout 1998 and 1999, the Government has actively participated in joint discussions with other members of the International Labour Organisation (ILO) on the causes of child labour and how best to combat it. We have also continuously supported the ILO's International Programme on the Elimination of Child Labour (IPEC), and the adoption of the new International Convention on the Worst Forms of Child Labour. The Convention, adopted by consensus at the International Labour Conference in June this year, aims to put an end to the intolerable exploitation of children in hazardous work, conditions of slavery, and practices similar to slavery.

Coral and Mangrove Ecosystems

Mr. Dalyell: To ask the Secretary of State for International Development what assessment she has made of the conclusions of the conference at London Zoo on 29 to 30 June relating to overseas dependent territories on the importance for poor people of coral and mangrove ecosystems. [89930]

Clare Short: The Conference considered environmental issues in the UK Overseas Territories and highlighted the diversity of natural resources in these small island states. Coral reefs and mangrove forests are among their more threatened environments. They directly provide a range of services important to poor people, including food, income, building materials, and tourist-related employment. Mangroves and coral reefs are often the only resources to which poor people have ready access. The Conference discussed the importance of controlling the exploitation of these ecosystems at sustainable levels by engaging the coastal peoples in their management, and helping to develop alternative livelihood options. We are actively engaged in supporting such programmes in UK Overseas Territories and other island states.

HEALTH

Women's Organisations (Consultation)

Jackie Ballard: To ask the Secretary of State for Health if he will list the women's organisations which have been consulted over proposed legislation by his Department during this session; and if their responses have been published. [87189]

Ms Jowell: The Government are committed to making sure that policies are inclusive and take full account of the needs and experience of all those affected by them. Guidelines on Policy Appraisals for Equal Treatment published in November 1998 commit policy makers to assessing how proposals affect different groups of people.

Application of the guidance is the responsibility of individual Departments. The Department is in regular contact with a wide variety of voluntary organisations within the health and personal social services field, seeking views on such matters as relevant aspects of proposed legislative change and the development of general policy, including those organisations receiving funding from the Department. Although some of these organisations seek to focus exclusively upon women's issues, the large majority would reflect the more generic views of their members, including often a significant proportion of women. We are currently funding and are in regular contact with the Women's Aid Federation of England on matters of mutual interest in relation to issues of domestic violence, while we would also expect to take the views of a wide range of organisations active in the field of young or elderly people, for example, with a substantial number of women among their membership.

Cancer Services

Mr. Paul Marsden: To ask the Secretary of State for Health what assessment he has made of the Excellence and Equity in Cancer Care Strategy, published by the All-Party Group on Cancer. [89263]

Mr. Denham: The themes in the All-Party Group's five pledges on the excellence and equity in Cancer Care Strategy reflect the issues raised at the cancer seminar in Downing Street in May at which the Prime Minister announced a plan of action to tackle cancer and save lives. The Government are committed to improving quality of and access to cancer services and a comprehensive programme of work is in hand to tackle the issues raised at the Downing Street meeting.

Nursing and Midwifery Admissions Service

Mr. Healey: To ask the Secretary of State for Health what is the total *(a)* annual budget and *(b)* staffing of the Nursing and Midwifery Admissions Service. [89366]

Mr. Denham: The total annual budget of the Nursing and Midwifery Admissions Service for 1999–2000 is £558,000.

The total staffing of the Nursing and Midwifery Admissions Service is currently 6.5 whole-time equivalents.

Mr. Healey: To ask the Secretary of State for Health what performance targets have been agreed with the Nursing and Midwifery Admissions Service in relation to processing *(a)* inquiries and *(b)* applications. [89368]

Mr. Denham: The contract for the provision of a centralised service processing all applications seeking entry to pre-registration nursing and midwifery diploma courses was negotiated in accordance with a detailed specification, copies of which are available in the Library.

Mr. Healey: To ask the Secretary of State for Health how many applications the Nursing and Midwifery Admissions Service deals with each year. [89367]

Mr. Denham: The number of applications varies from year to year. The number of applications differs to the number of applicants. This is because each applicant can submit up to and including four applications for different higher education institutions. The figures for applications and applicants are:

	Applications	*Applicants*
1997–98	50,026	20,088
1998–99[1]	94,952	33,803

[1] These are the latest figures for 1998–99. Final figures are not yet available.

Source:
Nursing and Midwifery Admissions Service

Drug Tariff

Mrs. Ellman: To ask the Secretary of State for Health what was the increase in the drug tariff to the NHS, in actual and percentage terms, of *(a)* Thyroxine tablets (100 mcg) per 1000, *(b)* Erythromycin tablets (250 mg) per 500, *(c)* Warfarin (5 mg) tablets per 500 and *(d)* chlordiazepoxide (10 mg) capsules per 500 between May 1998 and May 1999; and if he will make a statement. [89682]

Mr. Denham: The information requested is given in the table.

Prices in drug tariff in May 1998 and May 1999, and movement in price

	May 1998 (p)	*May 1999 (p)*	*Change (p)*	*Actual percentage increase*
Chlordiazepoxide capsules 10mg (500 pack)	684	2300	1616	236
Erythromycin tablets 250mg EC (100 pack)	412	1100	688	167
Thyroxine tablets 100mcg (1,000 pack)	299	4489	4190	1401
Warfarin tablets 5mg (500 pack)	2186	4570	2384	109

Mrs. Ellman: To ask the Secretary of State for Health if he will make a statement about the control of drug tariff prices to the NHS for *(a)* generic drugs and *(b)* branded drugs. [89681]

Mr. Denham: Reimbursement prices for medicines may or may not be listed in the Drug Tariff, and are the actual or averaged list prices of one or more versions of the drugs concerned. For generics, list prices are set by the market. Branded prices are governed by the Pharmaceutical Price Regulation Scheme.

Medicinal Drugs

Mrs. Ellman: To ask the Secretary of State for Health what (i) percentage and (ii) amount of the NHS budget was spent on medicinal drugs in each of the last five years for which figures are available. [89675]

Mr. Denham: The information requested is provided in the tables.

Total expenditure on National Health Service drugs

Total NHS expenditure on drugs, medicines and listed appliances

£ billion

Year	*Total*
1993–94	3.7
1994–95	4.0
1995–96	4.4
1996–97	4.7
1997–98	5.2

Total NHS expenditure on drugs, medicines and listed appliances as a percentage of total NHS expenditure

Year	*Percentage*
1993–94	11.8
1994–95	12.1
1995–96	12.7
1996–97	13.3
1997–98	13.7

Fluoridation

Mr. Viggers: To ask the Secretary of State for Health if he will list his Department's reviews of the effects on health of fluoridation of water; and what have been the results of these reviews. [89825]

Mr. Denham: Relevant reviews conducted by, for, or with the participation of, the Department of Health or its predecessors, are as follows:

Forrest J. R., Longwell J., Stones H. H., Thomson A. M. (1953). The fluoridation of domestic water supplies in North America as a means of controlling dental caries. Her Majesty's Stationery Office (HMSO), London.

Ministry of Health, Scottish Office, Ministry of Housing and Local Government (1962). The conduct of the fluoridation studies in the United Kingdom and the results achieved after five years. *Reports on Public Health and Medical Subjects* No. 105. HMSO, London.

Department of Health and Social Security, Scottish Office, Welsh Office, Ministry of Housing and Local Government (1969). The fluoridation studies in the United Kingdom and the results achieved after eleven years. *Reports on Public Health and Medical Subjects* No. 122. HMSO, London.

Working Party on Fluoridation of Water and Cancer (1985). Fluoridation of water and cancer: a review of the epidemiological evidence. HMSO, London.

Evaluations by the Committee on Carcinogenicity of Chemicals in Food, Consumer Products and the Environment, in 1983, 1984 and 1990.

Evaluations by the Committee on Mutagenicity of Chemicals in Food, Consumer Products and the Environment, in 1984, 1985, 1987, 1990 and 1995.

Medical Research Council Working Group on fluoridation of drinking water—link with osteoporosis, 1993.

Panel on Dietary Reference Values of the Committee on Medical Aspects of Food Policy (1994). Dietary reference values for food energy and nutrients for the United Kingdom. *Report on Health and Social Subjects* No. 41; sixth impression. HMSO, London.

Subgroup on Bone Health, Working Group on the Nutritional Status of the Population of the Committee on Medical Aspects of Food and Nutrition Policy (1998). Nutrition and bone health: with particular reference to calcium and Vitamin D. *Report on Health and Social Subjects* No. 49. The Stationery Office, London.

In addition, the Department and the Medical Research Council support research as appropriate. The Department also monitors and assesses the extensive published research conducted by others, and the many reviews commissioned by other groups, including the World Health Organisation. We agree with the conclusions of Sir Donald Acheson's Independent Inquiry into Inequalities in Health (conducted for the Department, and published in 1998) that

"Fluoridation of the public water supply has been shown to reduce caries ... [and] ... should decrease inequalities in dental caries ... The balance of scientific evidence is against harmful effects on health of fluoridation."

However, we are not complacent and in the Public Health White Paper published on 6 July we announced that we have commissioned an up-to-date scientific review of fluoride and health. If the review confirms that the health benefits of fluoridation are considerable and that there are no significant risks, we intend to introduce an obligation on water companies to fluoridate where there is strong local support for doing so.

Broomfield Hospital, Chelmsford

Mr. Burns: To ask the Secretary of State for Health how many acute beds there are currently at Broomfield hospital, Chelmsford; and how many there will be in October. [90002]

Mr. Denham: There are currently 568 acute beds at Broomfield hospital, including intensive care, cardiac care and the burns unit. The current ward closure proposals, which form part of the development plan for Mid Essex Hospital Services National Health Service Trust, will be discussed fully at a public meeting being held on 22 July 1999 at 7.30 pm in the Social Hall at St. John's hospital, Chelmsford. Until this meeting has taken place, it would not be appropriate to comment on the future provision of acute beds at Broomfield hospital.

Residential and Nursing Homes

Mr. Burstow: To ask the Secretary of State for Health when he expects to publish his response to the report of the Centre for Policy on Ageing on national required standards for residential and nursing homes for older people. [90070]

Mr. Hutton: We are currently considering the Centre for Policy on Ageing's report setting out their proposals for national regulatory standards for older people in care homes. We will be issuing the CPA's proposed standards to a wide range of organisations and individuals for consultation nationally in the summer.

We will carefully consider all the comments we receive on the CPA's report before finalising and publishing the standards and the arrangements for implementing them.

Skin Disorders

Mr. Jim Cunningham: To ask the Secretary of State for Health what the incidence of skin disorders is *(a)* overall and *(b)* in each region. [89570]

Mr. Hutton: The information is not available in the form requested. However, the number of admissions to National Health Service trust hospitals in England from 1995–96 to 1997–98 where a primary diagnosis has been recorded for skin disorder is shown in the tables.

Admissions for skin disorders: NHS trusts hospitals in England 1995–96

Regional health authority	*Admissions*
Northern	14,245
Yorkshire	21,244
Trent	22,521
East Anglian	9,302
North West Thames	14,255
North East Thames	15,331
South East Thames	14,327
South West Thames	12,497
Wessex	10,623
Oxford	13,557
South Western	14,930
West Midlands	22,311
Mersey	11,216
North Western	24,186
England	221,145

Notes:
1. Figures are grossed for both coverage and unknown/invalid clinical data
2. Ordinary Admissions and Daycases combined. ICD 10 codes used are, L00-L99, Diseases of the skin and subcutaneous tissues
Source:
Department of Health, Hospital Episode Statistics (HES)

Admissions for skin disorders: NHS trusts hospitals in England 1996–97 to 1997–98

Regional offices	*Admissions* 1996–97	1997–98
Northern and Yorkshire Regional	35,385	29,706
Trent Regional Office	20,740	23,704
Anglia and Oxford Regional Office	17,416	21,447
North Thames Regional Office	26,754	28,973
South Thames Regional Office	26,755	24,019
South and West Regional Office	25,245	26,237
West Midlands Regional Office	21,827	22,659
North West Regional Office	35,916	38,174
Not known	—	129
England	210,038	215,048

Notes:
1. Figures are provisional, no adjustments have yet been made for shortfalls in data, (ie the data is ungrossed)
2. Ordinary Admissions and Daycases combined. ICD 10 codes used are, L00-L99, Diseases of the skin and subcutaneous tissues
Source:
Department of Health, Hospital Episode Statistics (HES)

Smallpox

Mr. Dalyell: To ask the Secretary of State for Health if he will make a statement on his Department's policy on the retention of samples of smallpox-related material. [88274]

Ms Jowell *[pursuant to her reply, 6 July 1999, c. 494]:* The recently published report by the United States of America Institute of Medicine presents strong arguments for the retention of smallpox stocks, which we accept. Since the eradication of naturally occurring smallpox over 20 years ago, very few people have been immunised against smallpox. It is vital before the virus stocks are destroyed that investigations of the genetic structure and pathogenesis of smallpox are carried out to ensure that we have all the information we need to protect the population should smallpox re-emerge as a threat in the future. We are advised that this work requires the retention of the smallpox vaccine stocks and that their retention will also allow the development of effective anti-viral treatments and new vaccines.

We will be working with the World Health Organisation to develop and take forward research on these issues.

WALES

European Elections

14. **Mr. Gerald Howarth:** To ask the Secretary of State for Wales what representations he has received concerning the arrangements for the European elections in Wales. [88536]

Mr. Michael: None. I would not expect to do so as that is a matter for my right hon. Friend the Home Secretary.

Match Funding (Objective 1)

15. **Mr. Alan W. Williams:** To ask the Secretary of State for Wales when he next intends to meet the Chancellor of the Exchequer to discuss match funding for Objective 1 for west Wales and the valleys from January 2000. [88537]

Mr. Michael: I expect to meet my right hon. Friend the Chief Secretary to the Treasury soon to discuss a range of financial issues.

Agricultural Sector

16. **Mr. Robathan:** To ask the Secretary of State for Wales when he next intends to meet the chairman of the Assembly Economic Committee to discuss the performance of the agricultural sector. [88538]

Mr. Michael: Responsibility for this matter lies with the Assembly but it may help the right hon. Gentleman to know that this matter lies with the Assembly Committee for Agriculture and the Rural Economy.

Election Turnout

17. **Mr. Syms:** To ask the Secretary of State for Wales when he last met Assembly Secretaries to discuss moves to increase turnout at elections. [88539]

Mr. Michael: As Secretary of State I have had no such meetings.

Young Unemployed

18. **Mr. Bercow:** To ask the Secretary of State for Wales if he will make a statement on measures to help the young unemployed in Wales. [88540]

Mr. Michael: Since the New Deal was launched across Wales in April 1998, there has been a 44 per cent. reduction in the number of 18–24 olds who have been unemployed for six months or more. During its first year the New Deal has helped 5,400 young people in Wales into sustained employment; 1,200 are undertaking full-time education or training and a similar number are gaining valuable work experience on the Environment Task Force and Voluntary Sector options.

From 1 July, these measures will be taken forward by my right hon. Friend the Secretary of State for Education and Employment in partnership with the National Assembly for Wales.

Structural Change (Economic Activity)

19. **Mr. Ben Chapman:** To ask the Secretary of State for Wales if he will make a statement on his plans to encourage structural change in economic activity in Wales. [88541]

Mr. Hain: As Parliamentary Under-Secretary of State for Wales I had responsibility for this matter until 1 July.

We continued to pursue the objectives identified in Pathway to Prosperity—our new economic agenda for Wales. We asked the Welsh Development Agency to develop a Wales Entrepreneurship Action Plan; we strengthened Business Connect; established the Rural Partnership; made RSA more accessible, improved the flow of capital and advisory services to companies. Our aim in doing all this was to encourage and support more growth and development in existing companies and create more new enterprises.

Since last Thursday these responsibilities have passed to the National Assembly for Wales.

Child Care Strategy

20. **Mr. Win Griffiths:** To ask the Secretary of State for Wales when he plans to meet the Assembly Secretary for Health and Social Services to discuss the funding of the child care strategy for Wales. [88542]

Mr. Jon Owen Jones: I have no such plans. This is a matter for the National Assembly for Wales.

23. **Mr. Caton:** To ask the Secretary of State for Wales when he will meet the Assembly Secretary for Health and Social Services to discuss funding the child care strategy for Wales. [88545]

Mr. Jon Owen Jones: Neither I nor my right hon. Friend has such plans. This is a matter for the National Assembly for Wales.

Further Education

21. **Mr. Llew Smith:** To ask the Secretary of State for Wales when he plans to meet the Assembly Secretary for post-16 Education and Training to discuss funding to increase access to further education in Wales. [88543]

Mr. Hain: I have had discussions with the Secretary for Post 16 education and training but this is now a matter for the National Assembly.

27. **Mr. Ruane:** To ask the Secretary of State for Wales when he will meet the Assembly Secretary for Post-16 education and training to discuss funding to increase access to further education in Wales. [88549]

Mr. Hain: I have had discussions with the Secretary for Post-16 education and training but this is now a matter for the National Assembly.

Economic Regeneration

22. **Sir Raymond Powell:** To ask the Secretary of State for Wales when he intends to meet the chairman of the Economic Affairs Committee of the Assembly to discuss economic regeneration in former mining areas. [88544]

Mr. Hain: I have no such plans. This is a matter for the National Assembly for Wales. I am pleased that the Welsh Coalfield Communities will be included in the £50 million Coalfields Regeneration Trust, set up in March.

New Deal

24. **Mr. Touhig:** To ask the Secretary of State for Wales when he next plans to meet the Secretary of State for Education and Employment to discuss the New Deal in Wales. [88546]

Mr. Hain: I have no such plans. This is a matter for my right hon. Friend the Secretary of State for Education and Employment in partnership with the National Assembly for Wales.

Broadcasting

25. **Mr. Gareth Thomas:** To ask the Secretary of State for Wales what plans he has to meet the Secretary of State for Culture, Media and Sport to discuss broadcasting in Wales. [88547]

Mr. Michael: I have no such plans. This is a matter for my right hon. Friend the Secretary of State for Culture, Media and Sport and in future he will involve the National Assembly for Wales in his deliberations.

GPs

26. **Ann Clwyd:** To ask the Secretary of State for Wales what discussions he has had with the National Assembly on measures to encourage more general practitioners to practise in the valleys of south Wales. [88548]

Mr. Jon Owen Jones: I have had no such discussions. This is a matter for the National Assembly for Wales.

Livestock Industry

28. **Mr. Paterson:** To ask the Secretary of State for Wales if he will make a statement on the prospects for the Welsh livestock industry. [88550]

Mr. Jon Owen Jones: As Parliamentary Under-Secretary of State I had responsibility for this matter until 1 July. We took a number of initiatives, either unilaterally or jointly with my right hon. Friend the Minister of Agriculture, Fisheries and Food, to address the difficulties faced by the livestock sector. We provide:

- £12 million aid for Welsh cattle and sheep farmers in December 1997.
- Almost £15 million extra for HLCA claimants in Wales in November 1998.
- Publication in March 1999 of industry-led Action Plans for the Lamb and Beef, Dairy and Organic sectors.
- Complete deferral for this year of the Specified Risk Material inspection costs—a saving of £2.5 million for Welsh farmers.

Since last Thursday these responsibilities have passed to the National Assembly for Wales. The First Secretary and his Cabinet colleagues will be happy to brief Members of the House of Commons on the Assembly's work.

School Funding

Mr. John Smith: To ask the Secretary of State for Wales when he plans to have discussions with the Assembly Secretary for Education up to age 16 about funding of schools in Wales. [88532]

Mr. Hain: I have had discussions with the Education Secretary on this and other matters but this is now a matter for the National Assembly.

Press Releases

Mr. Wigley: To ask the Secretary of State for Wales what arrangements he has made for the translation of press releases from Government Departments into the Welsh language. [89679]

Mr. Michael: This is a matter for individual Departments. In the past, I made clear the willingness of my Department to advise on such matters. I have written to colleagues underlining the importance of this matter, and the advice which is available to Departments from the Welsh Language Board. I am pleased to see that a number of Departments have prepared Welsh language schemes which set out their policy on the use of Welsh in press notices.

Beef Export Ban

Mr. Luff: To ask the Secretary of State for Wales what recent discussions he has had with representatives of livestock farms in Wales to discuss progress on the lifting of the beef export ban. [88529]

Mr. Jon Owen Jones: I have had many such discussions. Beef farmers in Wales have paid a heavy price for the incompetence of the previous Government. I have been pleased to support my right hon. Friend the Prime Minister and my right hon. Friend the Minister of Agriculture, Fisheries and Food in sorting out this mess.

This is now a matter for the National Assembly for Wales.

DEFENCE

United Kingdom Hydrographic Office Defence Agency

Ms Dari Taylor: To ask the Secretary of State for Defence what key targets have been set for the United Kingdom Hydrographic Office Defence Agency for the financial year 1999–2000. [90524]

Mr. Spellar: The key targets set for the UK Hydrographic Office in 1999–2000 are as follows:

- To process and promulgate priority safety information within stated timescales from receipt of data.
- To achieve 100 per cent. of the endorsed and funded Defence Programme to cost, quality and timeliness targets as defined in Tasking Authorisation Forms (TAFs).
- To meet short-notice Defence operational requirements within agreed timescales.
- To achieve, by 31 March 2001, 85 per cent. of commercial orders for standard paper navigational charts despatched in full within six working days of receipt, while fulfilling Defence requirements for standard paper navigational charts.
- To break even taking one year with another.
- To achieve an average Return on Capital Employed (ROCE) during the plan period of 7.5 per cent.
- To achieve efficiency savings of 13.5 per cent. of controllable costs (based on controllable costs for FY95–96) by 31 March 2001.

Duke of York Royal Military School

Mr. Jim Cunningham: To ask the Secretary of State for Defence what key targets have been set for the Duke of York Royal Military School for the financial year 1999–2000. [90573]

Mr. Spellar: The Chief Executive of The Duke of York's Royal Military School has been set the following key targets for 1999–2000:

- To achieve 100 per cent. of GCSE passes at grades A* to G.
- To achieve 5 or more GCSE passes at grades A* to C; 1999–2000 target is 86 per cent.
- To achieve 88 per cent. of A level passes at grades A to E.
- To achieve 3 or more A level passes at grades A to E; 1999–2000 target is 80 per cent.

PRIME MINISTER

Engagements

Mr. Waterson: To ask the Prime Minister if he will list his official engagements for Wednesday 7 July. [88554]

The Prime Minister: This morning, I had meetings with Ministerial colleagues and others. In addition to my duties in the House, I will have further such meetings later today.

FOREIGN AND COMMONWEALTH AFFAIRS

Special Advisers

Mr. Don Foster: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the subject and date of each written briefing prepared by his special advisers for all Labour Members since May 1997 and the total number and total cost to date of these. [89983]

Mr. Robin Cook *[holding answer 6 July 1999]*: Special Advisers are appointed under terms and conditions set out in the Model Contract for Special Advisers. Schedule 1, Part 1 of the Model Contract sets out the role and duties of Special Advisers. As well as research for Ministers and reviewing papers, contributing to policy planning within the Department and preparing policy papers, speechwriting and liaison with outside interest groups, their role explicitly includes liaising with the Party and helping to brief Party MPs. Records are not held of when such briefings are given. Similar arrangements have applied under successive governments.

Balkans (EU Appointments)

Mr. Norman: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations his Department has made on EU appointments in connection with the Balkans region; and if he will make a statement. [90120]

Mr. Tony Lloyd: We fully supported the candidature of the right hon. Member for Yeovil (Mr. Ashdown) for the post of the United Nations Secretary-General's Special Representative in Kosovo. The UNSG has now appointed Mr. Bernard Kouchner to the post: he will have our full support as he carries out his important duties. Mr. Joly Dixon, a UK national working for the European Commission, has been appointed Deputy Special Representative responsible for reconstruction in Kosovo.

Correspondence

Mr. Steen: To ask the Secretary of State for Foreign and Commonwealth Affairs when he plans to reply to the letter written by the hon. Member for Totnes on 29 May about Mr. and Mrs. Michael Perkins of Chillington, Kingsbridge, South Devon. [90105]

Mr. Hoon: The hon. Member's letter to my right hon. Friend the Home Secretary was received in the Foreign and Commonwealth office on 18 June. My noble Friend the Under-Secretary will reply shortly.

Mr. Kaufman: To ask the Secretary of State for Foreign and Commonwealth Affairs when he intends to reply to the letters to him dated 15 March, 22 April and 27 May, with regard to Mrs. J. Otakoro, from the right hon. Member for Manchester, Gorton. [89957]

Mr. Hoon: My right hon. Friend the Foreign Secretary replied to my right hon. Friend's letters on 8 June 1999.

Qualified Majority Voting

Mr. Mitchell: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer to the hon. Member for Gainsborough (Mr. Leigh) of 22 June 1999, *Official Report*, columns 354–55, on qualified majority voting, when the decision to hold a European Union Inter-Governmental Conference in 2000 was made; what are the main headings and items to be considered at that conference; and what steps Her Majesty's Government have taken to publicise the conference. [89393]

Ms Quin: The decision to hold an Inter-Governmental conference (IGC) in 2000 was made at the Cologne European Council on 3–4 June. The items to be considered are set out in the Presidency conclusions, a copy of which has been placed in the Library of the House. My right hon. Friend the Prime Minister reported on the decision to hold the Conference in his Statement to the House of 8 June 1999, *Official Report*, columns 463–79. The Government will ensure that Parliament is kept fully informed of developments in the IGC.

Internal Histories

Mr. Bercow: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 15 June 1999, *Official Report*, column *116*, for what reason the titles of internal histories remain classified; what the level of classification is; and how many internal histories exist. [89808]

Mr. Hoon: Titles of internal histories less than 30 years old which have not yet been cleared for release or publication remain confidential, because to disclose such information would be premature in relation to publication plans under Exemption 10 of the Code of Practice on Access to Government Information.

The level of classifications vary and include up to Secret. The number of internal histories held by the FCO is not recorded centrally. So far 15 have been identified.

European Budget

Mr. Bercow: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 22 February 1999, *Official Report*, column *197*, concerning activities authorised under lines 3706 and 3708 of the EU budget, when he will deposit the substantive reply in the Library. [89810]

Ms Quin: I wrote to the right hon. Member for Penrith and The Borders (Mr. Maclean) on this subject on 22 March. Through an administration error, copies of my letter were not deposited in the Libraries of each House at the time. I have now arranged for copies to be sent.

Debriefing (Ambassador)

Mr. Bercow: To ask the Secretary of State for Foreign and Commonwealth Affairs on how many occasions

Ministers from his Department have debriefed ambassadors from British business; if such ambassadors are required to declare this position in meetings with foreign representatives of Government; if Government policy is discussed; and if he will make a statement. [89821]

Mr. Hoon: The Ambassadors for British Business attended a working meeting with Ministers in July 1998.

When making appointments for the Ambassadors for British Business our overseas posts make clear to interlocutors their status.

The Ambassadors for British Business are provided with briefing on British government policy for them to use as they feel appropriate. They are, however, free to express their own views during their Ambassador for British Business engagements. The objective of their role is to promote the UK's wider British Commercial interests drawing on their own experience and expertise.

Ethiopia and Eritrea

Mr. Burden: To ask the Secretary of State for Foreign and Commonwealth Affairs what action his Department is taking to encourage a settlement of the border dispute between Ethiopia and Eritrea and a cessation of the deportations between the two countries; and if he will make a statement. [89861]

Mr. Tony Lloyd: We have made frequent and regular representations to the Governments of Ethiopia and Eritrea, at all levels, both bilaterally and through the European Union. Our message has been clear: both sides must stop fighting immediately and implement the OAU Framework peace proposals.

We have urged both sides to respect the rights of civilian populations. The Ethiopian Government have assured us that their policy of expulsion of Eritreans has now stopped. The Eritrean Government maintain that the Ethiopians leaving Eritrea have done so voluntarily. I discussed the situation with OAU Secretary-General Salim Salim on 28 May and underlined our continued support for the OAU Framework peace proposals.

Turkey

Mr. Cox: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will ensure that when a Minister of his Department next visits Turkey he or she discusses with the Minister of Foreign Affairs for Turkey the lack of response to letters that have been sent to him by the Chairman of the Committee of Ministers of the Parliamentary Assembly of the Council of Europe, regarding the decision taken by the European Court of Human Rights in the case of Mrs. Loizidou v. Turkey; and if he will make a statement. [89817]

Ms Quin: We continue to make clear to Turkey, including in the Council of Europe's Committee of Ministers' Deputies, the need to respect the European Court of Human Rights' judgment in the case of Loizidou v. Turkey. We supported the decision of the Chairman of the Committee of Ministers to write to the Turkish Foreign Minister on 22 June requesting clarification from Turkey on how it intends to implement the judgment. We look forward to his response, and will be interested to hear what progress is being made on the issue when we next meet at Ministerial level.

Burma

Mr. Green: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps he is taking to improve the conditions of ethnic minorities in Burma. [89937]

Mr. Hoon: We take every opportunity to try to improve the conditions of ethnic minorities in Burma. We raise concerns both here and in Rangoon directly with the regime, most recently about repression in Kayah and Chin States. We are also active in international forums, for example co-sponsoring UN resolutions which put pressure on the regime to improve the human rights situation. We were instrumental in the adoption of a resolution by the International Labour Conference on 17 June which stated that Burma's behaviour, notably the continued use of forced labour (a major burden on ethnic minorities), was incompatible with ILO membership. And we support the work of the Burma Consortium for those who have fled regime repression.

Kashmir

Mr. Fabian Hamilton: To ask the Secretary of State for Foreign and Commonwealth Affairs what influence he is bringing to bear on behalf of the UK Government to stop the violence in Kashmir. [89893]

Mr. Hoon: As longstanding friends of Pakistan and India, we are deeply concerned by the continuing fighting in the Kargil sector of Jammu and Kashmir following armed infiltration across the Line of Control. My right hon. Friends the Prime Minister and the Foreign Secretary and I, and our High Commissions in Islamabad and New Delhi, have urged both countries to work to lower tensions and to refrain from action which might escalate the fighting. We have reinforced our concerns in the EU statements of 27 May and 24 June and the conclusions on G8 Foreign Ministers on 31 May and heads of Government on 19 June.

MOX Shipments

Mr. Llew Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 29 June 1999, *Official Report*, column *116*, on MOX shipments, if he will place that advice in the Library. [89814]

Mr. Hoon: The Government's position on this matter was recently re-examined by the DTI in the course of preparing a response to a letter on the same subject which my hon. Friend the Member for Birmingham, Northfield (Mr. Burden) sent to my colleague the Minister for Energy and Industry. The Minister's reply to my hon. Friend for Northfield sets out the detailed conclusions reached and reflects the advice of the UK Safeguards Office. This was the same advice as that on which I based my earlier statement. A copy of that reply has now been placed in the Library.

Written Answers to Questions

Thursday 8 July 1999

NORTHERN IRELAND

Terrorist Ceasefires

Mr. Moss: To ask the Secretary of State for Northern Ireland what is the status of her review of the state of terrorist ceasefires. [87879]

Mr. Ingram: The Secretary of State keeps the ceasefires of all paramilitary organisations under continuous review. The judgment needs to be made in the round, taking into account all relevant information including the advice she receives regularly from her security advisers.

Drumcree

Mr. Moss: To ask the Secretary of State for Northern Ireland what progress has been made towards solving the Drumcree Church parade difficulties. [87878]

Mr. Ingram: Every effort has been made by both the British and Irish Governments to reach a satisfactory resolution to the Drumcree dispute. No such resolution has yet been reached, but our efforts continue. The decision taken by the Parades Commission to reroute the planned parade by Portadown LOL District is a legal one, and I am pleased to note that on Sunday 4 July the marchers complied with the conditions imposed by the Parades Commission.

Barry Mason

Mr. Corbyn: To ask the Secretary of State for Northern Ireland, pursuant to her answer to the hon. Member for Hull, North (Mr. McNamara) of 9 June 1999, *Official Report*, column *326*, on Barry Mason, what action she plans to take; and if she will make a statement. [87765]

Mr. Ingram *[holding answer 22 June 1999]:* The Royal Ulster Constabulary are presently liaising with the West Midland police to see if there are any lines of inquiry arising from the claims made by Barry Mason. My right hon. Friend the Secretary of State has no plans to take any action herself.

TRADE AND INDUSTRY

Post Office

Mr. Plaskitt: To ask the Secretary of State for Trade and Industry what legislation he plans to introduce to implement his proposed reforms of the Post Office. [90730]

Mr. Byers: Much of the package of reforms for the Post Office that I have set out in the White Paper I have published today can be implemented without any change in the law. But I propose three pieces of legislation to complete the reform package:

First, I am today laying an order under Section 69 of the British Telecommunications Act 1981 to reduce the Post Office monopoly to letters for which the post is not more than 50 pence (or which do not weigh more than 150 grams). The new limits will have effect from 1 April 2000. This will supersede the Order made in 1981 to fix the monopoly limit to items costing less than £1 for a period of 25 years, ending in 2006.

Secondly, I am today also making available the draft of a Regulation I propose to make shortly under section 2(2) of the European Communities Act 1972 to implement the European Union Postal Services Directive on common rules for the development of the internal market of Community postal services. As the intention of the Directive is, inter alia, to provide a regulatory framework for postal services and the creation of a national regulatory authority, and to establish common rules for the provision of a universal postal service, the proposed Regulation will establish a new regulatory regime, designating the Secretary of State for Trade and Industry and a new Postal Services Commission, that will assume its duties from 1 April 2000, as the national regulatory authorities for the postal sector in the United Kingdom, and to amend the Post Office Act 1969 so as to define in the legislation the minimum levels of service to be provided by the Post Office.

Thirdly, as soon as Parliamentary time permits, I will bring forward primary legislation to consolidate the reform of the Post Office and the postal market. The Bill will

ensure that the Post Office can take full and certain advantage of the commercial freedoms proposed in the package;

convert the Post Office into a plc to underline the commercialisation of the business (though the legislation will not provide for any disposal of shares without further Parliamentary approval, and in particular no share sale will be possible without further primary legislation);

clarify and consolidate the independent regulatory and consumer representative framework, putting it on a basis similar to that for the private utilities; and

enable any reduction in the Post Office monopoly to be put on a permanent (rather than temporary) basis.

Power Stations

Mrs. Gilroy: To ask the Secretary of State for Trade and Industry when he will announce further decisions on power station proposals currently with his Department. [90734]

Mr. Battle: I have today given directions under Section 14 (3) of the Energy Act 1976 to Southern Electric and Sabre Power not to proceed with a number of their gas-fired schemes. The schemes affected are Southern Electric's mini power plants (49 MW) at Loudwater, Nr High Wycombe and Quidhampton, Salisbury and Sabre Power's mini power plants (50 MW) at Hirwan, Rhondda and Bridgwater, Somerset. These decisions have been taken in accordance with the policy set out in the White Paper entitled "Conclusions of the Review of Energy Sources for Power Generation and Government response to fourth and fifth Reports of the Trade and Industry Committee" (Cm 4071).

Decisions on other proposals under consideration will be announced in due course.

Copies of the Press Notice and the relevant decision letters are being placed in the Library of the House.

EU Takeovers Directive

Mr. Gibb: To ask the Secretary of State for Trade and Industry if he will list the legislative changes required by the proposed EU Takeovers Directive. [90092]

Dr. Howells: It would not be possible to say, until the Directive had been finally adopted by the Council and the European Parliament, following its consideration for the second time by the European Parliament under the co-decision procedure, precisely what legislative changes would be required to implement the Directive. However, it is likely that such legislation would formally designate the supervisory body which would be responsible in the UK for regulating takeovers (this could be a private body such as the Takeover Panel). In addition, some basic aspects of the regulatory framework set out in the Directive—such as the general principles which are presently included in Article 3—would no doubt have to be incorporated into legislation.

Genetic Engineering

Mr. Etherington: To ask the Secretary of State for Trade and Industry if he will list the United Kingdom patents which have been *(a)* applied for and *(b)* granted since 18 May 1998 in respect of genetically engineered animals and processes for creating such animals. [89932]

Dr. Howells: I can only give information about patent applications which have been published. Prior to publication such information is confidential. There have been a total of three applications filed under the Patents Act 1977 and published since 18 May 1998 relating to genetically engineered animals and processes for preparing them. Patent No. GB 2331301 relates to a transgenic mammal for use as a model in the treatment of Alzheimer's disease, Patent No. GB 2327679 relates to transgenic fish and Patent No. GB 2331751 relates to methods of cloning animal embryos. Only Patent No. GB 2327679 has so far been granted.

Three other patents have been granted since 18 May 1998. They are Patent No. GB 2312899 for transgenic mammals useful as models for the treatment of bone disorders, GB 2291646 which relates to transgenic fish transformed with growth hormone and GB 228807 which relates to mammals transformed with a gene encoding a neurotoxin.

This information covers only applications filed at the UK Patent Office and does not include applications filed at the European Patent Office and which may have the legal effect of UK patents when granted by that Office.

EU Artists' Resale Right Directive

Mr. Gibb: To ask the Secretary of State for Trade and Industry if he will make a statement on his policy regarding the EU Artists' Resale Right Directive. [90089]

Dr. Howells: The Government are concerned that the current proposal would drive sales out of the EU and hit our art market far harder than others, while bringing little or no benefit to the majority of artists. We therefore welcome the postponement of a decision on the draft Directive by the 21 June Internal Market Council to allow more time for discussions to continue and see if a way forward can be found to overcome the very substantial difficulties the UK and others still see with it.

Weights and Measures

Mr. Gibb: To ask the Secretary of State for Trade and Industry what meetings he has had with members of the National Market Traders Federation to discuss whether to seek an extension to the derogation permitting loose from bulk produce to be sold in imperial only measures. [90096]

Dr. Howells *[holding answer 7 July 1999]:* I have had no specific meetings with the National Market Traders Federation to discuss metrication but I met representatives of the Federation at a reception in the House of Commons on 10 May 1999. The Federation had previously submitted written representations to me concerning the derogation.

Mr. Gibb: To ask the Secretary of State for Trade and Industry what assessment his Department has made of the likelihood of the United States adopting metric measurements as the authorised units for pre-packaged food by 31 December 2009. [90101]

Dr. Howells *[holding answer 7 July 1999]:* As part of the US metrication programme, pre-packaged goods (foods and non-foods) marketed in the USA are already required to be marked with an indication of quantity in metric and US customary units. The European Commission is in discussion with the US Government about permitting indications of quantity to be given only in metric units by 2009.

Mr. Gibb: To ask the Secretary of State for Trade and Industry what estimate he has made of the cost to *(a)* market traders, *(b)* delicatessens and *(c)* other retailers arising from the expiry of the derogation permitting loose from bulk produce to be sold using imperial measures only. [90103]

Dr. Howells *[holding answer 7 July 1999]:* The DTI published a compliance cost assessment when the legislation to phase in the gram and the kilogram was made in 1994. The assessment identified the conversion or replacement of weighing machines as the main cost for traders. At today's prices, according to the United Kingdom Weighing Federation, the average cost of a conversion is about £100 and the cost of a new weighing machine starts at about £450. According to the Federation, 80 per cent. of machines should be capable of conversion. The cost of a set of metric weights is about £50.

If, as the Government expect, the European Commission's proposal to permit dual indications in metric and non-metric units until 31 December 2009 is adopted, weighing machines that show metric and imperial units will not have to be converted or replaced if the imperial units are not larger than the metric ones.

Mr. Gibb: To ask the Secretary of State for Trade and Industry what representations he made to the European Commission calling for it to extend the derogation permitting loose from bulk produce to be sold using imperial measures only; and what reasons underlie his policy on making such representations. [90095]

Dr. Howells *[holding answer 7 July 1999]:* The Government have not made any representations to the European Commission to extend the derogation in Directive 80/181/EEC on units of measurement, under which the ounce and the pound may be used until 31 December 1999 as the legal units in the UK for goods sold loose from bulk and weighed at the point of sale.

I intend reporting to Parliament in the near future concerning the adoption of metric units in the United Kingdom.

Mr. Gibb: To ask the Secretary of State for Trade and Industry what recent discussions he has had with the European Union's Trade Commissioner, and whether such discussions have included the expiry of the derogation permitting loose from bulk produce to be sold using imperial measures only. [90100]

Dr. Howells *[holding answer 7 July 1999]:* The Government have not discussed the derogation for goods sold loose with Members of the European Commission.

Mr. Gibb: To ask the Secretary of State for Trade and Industry what measures his Department has taken to inform market traders of the consequences of the expiry of the derogation permitting loose from bulk produce to be sold using only imperial measures; and what was the cost of such measures. [90102]

Dr. Howells *[holding answer 7 July 1999]:* The DTI is putting together a programme of measures to inform and advise small traders and their customers about using the gram and kilogram for goods sold loose. The projected cost of the programme is £400,000.

Financial Failure

Mr. Gibb: To ask the Secretary of State for Trade and Industry when he will publish his Department's internal report on reducing the stigma of financial failure. [90292]

Dr. Howells: When additional work has been undertaken in order to further develop the areas identified by officials a Consultation Document will be published, probably during the coming winter, 1999–2000.

Insolvency

Mr. Gibb: To ask the Secretary of State for Trade and Industry if he will list the Government reviews and reports currently being conducted into reform of the insolvency laws. [90293]

Dr. Howells: Two reviews of Insolvency Law and Practice were announced in the Competitiveness White Paper. The first was an internal review of insolvency (and particularly bankruptcy) law and the extent to which it contributed to the stigma of failure and inhibited enterprise. Officials reported to Ministers on 30 April 1999, and work to further develop the ideas generated is underway. The second review is a joint DTI/HM Treasury Review of Company Rescue Mechanisms, the Terms of Reference of which were announced on 2 February 1999, *Official Report*, column *580*. That review will now report by the end of 1999.

British Nuclear Fuels

Mr. Gibb: To ask the Secretary of State for Trade and Industry what plans he has to sell a 49 per cent. stake in British Nuclear Fuels Limited. [90299]

Mr. Battle: I hope to be able to make an announcement about the future of BNFL shortly.

Disqualified Directors

Mr. Hesford: To ask the Secretary of State for Trade and Industry what action he is taking to prevent disqualified company directors becoming involved with new companies. [90094]

Dr. Howells: Action is taken by a combination of active monitoring of the appointment of new directors by Companies House and of the enforcement of disqualification law by the Insolvency Service.

Companies House records details of all disqualified directors in a public register and since 1995 has been taking continuous steps to improve the accuracy of, and access to, the register. It has also been carrying out checks to ensure that disqualified directors resign their directorships in active companies. It also routinely checks that new directors of companies notified to it are not already disqualified.

In addition, the Insolvency Service—through Official Receivers and insolvency practitioners—reports contraventions of disqualification orders for prosecution; liaises with central and local government departments and agencies which may identify breaches in the course of their own contacts with businesses; and has set up a telephone hotline for the public and business to report disqualified directors who continue to act while banned.

Climate Change Levy

Mr. Pearson: To ask the Secretary of State for Defence what estimate he has made of *(a)* the cost of the climate change levy to his Department and *(b)* the savings from the reduction in national insurance contributions that will occur when it is introduced. [88862]

Mr. Spellar: The net impact of the climate change levy and the associated reduction in main rate of employers' National Insurance Contributions on the Ministry of Defence will depend on the rates of climate change levy. The final rates of climate change levy will not be set until Finance Bill 2000.

In addition, the Government are still considering a number of detailed issues on the tax treatment of different energy products which could have a significant impact in some instances. It is, therefore, not possible to give definitive figures about the impact of the climate change levy on the Ministry of Defence.

Dr. Kumar: To ask the Secretary of State for Trade and Industry (1) what assessment he has made of the economic impact of the climate change levy on those chemical industries which are based on the electrolysis process; and if he will make a statement; [88198]

(2) what estimate he has made of *(a)* the number of extra jobs which will be created as a result of the reduction in employers' National Insurance Contributions

and *(b)* the extent of job losses in manufacturing industry following the introduction of the climate change levy; and if he will make a statement. [88406]

Ms Hewitt: I have been asked to reply.

The climate change levy is estimated to save around 1.5 million tonnes of carbon a year by 2010, thereby making a very significant contribution to meeting the Government's legally-binding target for reducing greenhouse gas emissions set under the Kyoto Protocol, and its domestic coal of a 20 per cent. cut in carbon dioxide emissions by 2010.

The climate change levy will entail no increase in the overall burden of tax on business as the revenue will be fully recycled via a 0.5 percentage point cut in employer National Insurance Contributions. Business will also benefit from an additional £50 million for schemes aimed at promoting energy efficiency and support for renewable sources of energy, like solar and wind power.

Following Lord Marshall's recommendations, and the Government's Statement of Intent on Environmental Taxation, the Government recognises the need for special consideration to be given to energy intensive industries given their energy usage and exposure to international competition. Consequently, significantly lower rates of tax will be set for those energy intensive sectors that agree targets for improving their energy efficiency. A number of sectors including the aluminium, iron and steel, and chemicals sectors are currently involved in those negotiations. The net impact of the climate change levy and the associated reduction in National Insurance Contributions on individual sectors will depend on the rates at which the levy is set. The final rates of the levy will not be set until Finance Bill 2000.

The Government is keen to work with business on the detailed design and administration issues relating to the levy. HM Customs and Excise have just completed a further round of consultation on these issues and the Government is assessing these responses alongside other representations in deciding how to design the levy to maximise the environmental benefits while safeguarding competitiveness.

As the Government's climate change consultation document makes clear, all sectors of the economy will need to play their part in tackling the problem of climate change. It is not the Government's intention to introduce new taxes on domestic fuel and power, for social policy reasons. However, there are a number of measures in place to encourage energy efficiency in households, including the Home Energy Efficiency Scheme. These measures are set out in the climate change consultation document and will form part of the climate change strategy to be published later this year.

The UK is not alone in having to meet targets for reducing greenhouse gas emissions, or in using economic instruments to do so. Since 1990, seven EU countries have introduced explicit taxes on the carbon or energy content of fuels, including most recently, the 'Eco-Tax' introduced by the German Government. On current projections, most OECD countries will have to introduce new measures of one form or another to meet their Kyoto obligations.

Market Research

Mr. Don Foster: To ask the Secretary of State for Defence if he will list the title and purpose of each item of market and opinion research commissioned by or through his Department, its agencies and non-departmental public bodies since May 1997 stating in each case whether or not the results were published. [89692]

Mr. Spellar *[holding answer 5 July 1999]:* This information is not held centrally and could be provided only at disproportionate cost.

DEFENCE

RMAS Arrochar

Mr. Hancock: To ask the Secretary of State for Defence for what reasons the RMAS Arrochar, based in Portsmouth, is being disposed of. [89968]

Mr. Spellar: The Royal Maritime Auxiliary Service, RMAS, Naval Armament Vessels are employed primarily for freighting armament stores and other dry cargo.

A reduction in the freighting task as a result of the Strategic Defence Review, together with a decrease in the requirement to transport munitions for British forces in Germany, has cut the total volume of routine work to a level which can satisfactorily be met by using one vessel.

An independent study is being undertaken to assess the material state of the two vessels, RMAS Arrochar and RMAS Kinterbury, before we decide which vessel to retain in service.

Leeming Village

Miss McIntosh: To ask the Secretary of State for Defence what plans his Department has for his Department's houses in Leeming Village; and if he will make a statement. [90085]

Mr. Spellar: Of the 32 houses in Leeming Village, 11 are currently occupied. The Defence Housing Executive (DHE) plans to release 20 of the remaining properties back to Annington Homes Ltd. next year.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Bus Lane (M4)

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions how many buses a day use the bus lane on the M4 between the M25 and the elevated section; and how many cars a day use the same section of motorway. [88491]

Mr. Prescott: The eastbound carriageway of the M4 motorway, between junction 3 and the elevated section where the motorway reduces from 3 lanes to 2, incorporates the bus lane. Based on the first three weeks monitoring of the operation of the road since the opening of the bus lane, 450 buses a day use the bus lane and some 49,200 cars use the same section of motorway. Additionally 2,900 taxis use the bus lane and 2,400 commercial vehicles use the motorway.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received from 10 Downing Street in respect of the M4 bus lane. [88636]

Mr. Prescott *[holding answer 29 June 1999]:* I received no representations from the Prime Minister, but my Department and 10 Downing Street have discussed the improvements in traffic flow for all vehicles which have occurred.

George Green Tunnel (Wanstead)

Mr. Cohen: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 23 June 1999, *Official Report*, columns *404–05*, on George Green Tunnel, how many vehicles were employed in the limited staged incident on 28 May; how many London Fire Brigade vehicles attended; and if he will place a copy of the Fire Brigade's report in the Library. [89391]

Ms Glenda Jackson: Three cars were used to simulate an accident in the eastbound bore of the tunnel and three London Fire Brigade appliances attended. The publication of the report is a matter for the Fire Brigade. I would not normally place copies of such reports in the Library but, subject to the Fire Brigade's agreement, I will send my hon. Friend a copy as soon as one is available.

Ministerial Visits

Dr. Julian Lewis: To ask the Secretary of State for the Environment, Transport and the Regions on what dates he has made official visits to the New Forest, East constituency since 2 May 1997. [89630]

Mr. Prescott: None.

Correspondence

Dr. Julian Lewis: To ask the Secretary of State for the Environment, Transport and the Regions for what reasons he has not replied to the *(a)* letter dated 16 March and *(b)* fax dated 25 May from the hon. Member for New Forest, East. [89631]

Mr. Prescott: Because the matter was dealt with by our offices over the telephone.

Bus Passes

Mrs. Lait: To ask the Secretary of State for the Environment, Transport and the Regions if he will ensure that mental health service users have the same legal entitlement to local authority bus passes as physically disabled people. [89545]

Ms Glenda Jackson: Outside London, local authorities may provide concessionary travel for people who are mentally handicapped, but not for people who are mentally ill (except for those who would be refused a driving licence on medical grounds). Local authorities also have the power to provide concessionary travel for people with a number of specified physical disabilities (including those who are blind) as well as those people with a disability or injury which seriously impairs their ability to walk. In all these instances, the decision on whether to allow concessionary travel for any or all of these groups of people is a matter for the local authority.

In London, local authorities have the legal power to provide concessionary travel for people who are blind, or who have a disability or injury which seriously impairs their ability to walk.

Millennium Urban Village

Mr. Llew Smith: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the reasons for the resignation of the architect responsible for designing the Millennium Urban Village at Greenwich; and if the sustainable aspects of conservation and design have been changed from the original project proposals. [89733]

Mr. Caborn: I cannot comment on the reasons for the resignation of HTA Architects Ltd. from the Greenwich Millennium Village project, since that is a commercial matter between HTA and its client. However, the lead architect responsible for the Village masterplan has publicly expressed his continued commitment to the scheme. My right hon. Friend the Deputy Prime Minister has asked English Partnerships for a full report on progress against the original aspirations for the Village, but we are confident that this exciting development will, as planned, set high standards of innovation and sustainability.

Public Footways

Mr. Cox: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to discourage parking on public footways; and if he will make a statement. [89933]

Ms Glenda Jackson: The Highway Code (Rule 218) makes it clear that motorists should not park on the footway or pavement as it can seriously inconvenience pedestrians, people in wheelchairs, the visually impaired and people with prams and pushchairs. Enforcement is a matter for the police under the law relating to obstruction.

Motorists should also be aware that where there are yellow line or clearway restrictions in operation, it is an offence to park on the adjacent pavement or verge.

Pavement parking is a specific offence in London, unless there is a positively signed exemption. Local authorities in London are generally responsible for enforcement of pavement parking under the Road Traffic Act 1991.

Elsewhere, local authorities can also make pavement parking a specific offence in individual streets or over a wider area by the making of traffic regulation orders and placing the appropriate signs. We are encouraging local authorities outside London to apply for decriminalised parking enforcement powers under the 1991 Act as this offers scope for them to target enforcement where it is most needed—such as pavement parking.

We also issue advice to local authorities on the use of largely self-enforcing methods, such as bollards, to prevent or deter pavement parking (Traffic Advisory Leaflet 4/93).

Refrigerants

Mr. Green: To ask the Secretary of State for the Environment, Transport and the Regions what steps he is taking to encourage the use of alternatives to HFCs in refrigeration; and if he will make a statement. [89953]

Mr. Meale: The Government do not promote one refrigerant over another but encourage business and industry to choose the safest, most environmentally acceptable and energy efficient system for each particular application.

The Government have also agreed a Declaration of Intent with the refrigeration and air conditioning industry with the aim of reducing emissions of HFCs. The Declaration recommends that the servicing, maintenance and decommissioning of equipment containing HFCs are carried out only by competent persons. It also encourages all reasonably practicable precautionary measures to minimise refrigerant leakage, and recommends that refrigerants are recovered for reuse, reclamation or disposal during servicing and prior to equipment decommissioning.

We are reviewing the effectiveness of this Declaration and the other voluntary agreements on minimising HFC emissions as part of the development of a new climate change programme to meet the UK's legally binding target of 12.5 per cent. reduction in overall greenhouse gas emissions by 2008–12, and move towards the domestic goal of a 20 per cent. reduction in carbon dioxide emissions.

Wild Boar

Mr. Green: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to designate wild boar as *(a)* vermin and *(b)* game; and if he will make a statement. [89938]

Mr. Meale: There are no plans to designate wild boar as vermin or game.

Wild boar are not protected and may be killed or taken by owners and occupiers of land using any method, e.g. shooting or trapping, which is not prohibited by the Wildlife and Countryside Act 1981.

London Transport

Mr. Horam: To ask the Secretary of State for the Environment, Transport and the Regions if he will arrange for London Transport to disclose the terms regarding times, frequency and interchange arrangements sent to those invited to tender for any bus service. [89942]

Ms Glenda Jackson: This is a matter for London Transport. Although they do not publish details of the invitation to tender, I understand that where changes to a bus route are proposed, London Transport do provide details in terms of the route and service frequency as part of the consultation process. If these details remain unchanged, the information will already be in the public domain.

Concessionary Fares (Schoolchildren)

Mr. Wyatt: To ask the Secretary of State for the Environment, Transport and the Regions what plans his Department has to issue guidelines to local authorities regarding concessionary fares for children travelling to and from school in order to reduce the volume of school traffic at peak times. [89918]

Ms Glenda Jackson: Concessionary fares are essentially a matter for locally elected councils. However, my Department, with the Department for Education and Employment and the Department of Health, published on 30 June a booklet entitled "School travel strategies and plans—a best practice guide for local authorities". This set out many instances of steps that have been taken in different parts of the country to improve safety and reduce car use on the journey to school; it included an example of the introduction of lower fares for pupils.

North West Development Agency

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions (1) what are *(a)* the name of the landlord and *(b)* the address of the site of the new premises to be occupied by the North West Development Agency and related activities in Penrith, Cumbria; [88767]

(2) what the terms of the lease are for the property to be occupied by English Partnerships and other North West Development Agency operations at Penrith; [88758]

(3) what assessment has been made of the comparative costs of locating North West Development Agency activities in premises *(a)* owned by English Partnerships in Cockermouth and *(b)* rented in Penrith. [88768]

Mr. Meale *[holding answer 6 July 1999]:* Decisions on location are a matter for the North West Development Agency. I understand that the Agency has not yet taken a final decision on the location of the Penrith office. Discussions are underway with Allen Commercial Development Agency in respect of a building on the Penrith 40 Business Park at Junction 40 of the M6.

The annual rental costs and other terms of a lease are thus still under negotiation but I understand that the rental cost may be in the order of £10 per square foot. The opportunity cost of the Agency occupying the premises in Cockermouth transferred to it from English Partnership is about £4.50 per square foot.

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the names of those organisations and individuals who nominated each member of the Board of the North West Development Agency. [89062]

Mr. Meale: I refer my hon. Friend to the answer given on 6 July 1999, *Official Report*, columns *449–50*.

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the role of officials in the North West Region in the nomination and selection of each person appointed to the Board of the North West Development Agency. [89063]

Mr. Meale: The appointment of members to the Board of the Regional Development Agencies was carried out in accordance with the Code of Practice and Guidance laid down by Commissioner for Public Appointments.

Government Offices in the Regions were involved in the sift of candidates and the interviews. Independent assessors participated at the sift and interview stages to

ensure independent scrutiny of the process, and that the appointments procedures were fair and consistently applied. The final decisions on the appointments were made by Ministers.

Channel Tunnel Rail Link

Mr. Kemp: To ask the Secretary of State for the Environment, Transport and the Regions what plans the Government have for a direct Channel Tunnel rail link with the north east of England. [90257]

Ms Glenda Jackson: My right hon. Friend the Deputy Prime Minister announced on 28 January 1999, *Official Report*, columns *340–41*, the commissioning of a thorough and independent review of regional Channel Tunnel services. On 17 June the consultancy firm Arthur D. Little were appointed to undertake this review, and it is underway. The review will be thorough and wide ranging in its consideration of alternative options. It will, in particular, seek to assess the regional economic and social benefits of regional Eurostar services, and will examine the proposals put forward by the Virgin Group and the report produced last year by Inter-Capital and Regional Rail Ltd. The final report is due to be submitted at the end of October, and we expect to make a statement to the House before the end of the year.

M60

Mr. Bennett: To ask the Secretary of State for the Environment, Transport and the Regions when he expects the M60 from *(a)* Denton to Hollinwood and *(b)* Hollinwood to Middleton to open. [90320]

Ms Glenda Jackson: I have asked the Chief Executive Agency, Mr. Lawrie Haynes, to write to my hon. Friend.

Letter from Peter Nutt to Mr. Andrew F. Bennett, dated 8 July 1999:

The Transport Minister, Glenda Jackson, has asked the Chief Executive of the Highways Agency, Lawrie Haynes, to reply to your recent question about expected opening dates for the M60 Denton to Hollinwood and M60 Hollinwood to Middleton road contracts. I am replying in Lawrie's absence from the office.

Contract 1: Denton to Medlock (Hollinwood in your question) was awarded in 1996 as a three year contract in the then traditional form in which much of the risk remains with the Highways Agency. Problems arose on this contract due largely to a lack of suitable clay material to construct a replacement dam. An extension to the contract period was granted to summer 2000. Suitable materials have now been identified and the contract is on course for completion in summer 2000.

Contract 3: Medlock to Middleton was awarded as a 26 month design and build contract in April 1998, using the Agency's new procurement strategy. This contract has been selected as one of the demonstration projects under the Egan "Rethinking Contract" initiative. This is one of the 50 projects selected to demonstrate the commitment of government and industry to improve the industry's performance by identifying and delivering best practice. It remains on schedule for completion in summer 2000.

Housing Needs Indices

Mrs. Humble: To ask the Secretary of State for the Environment, Transport and the Regions what progress has been made on the review of the needs indices used in the allocation of housing capital resources to local authorities and registered social landlords. [90503]

Ms Armstrong: A consultation paper is to be published today seeking views on a number of proposals for revisions to the needs indices to be used in the allocation of resources for 2000–01. The Paper will also seek views on a number of issues on the longer term development of the indices. Copies are being placed in the Library of the House.

Urban Renewal

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions what part English Partnerships will play in the implementation of the report by the Urban Task Force "Towards an Urban Renaissance". [90280]

Mr. Caborn: The Government are currently considering the recommendations of the Urban Task Force report "Towards an Urban Renaissance". As part of this, English Partnerships will fully contribute its thinking.

Regional Development Agencies

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions (1) what budget each regional development agency has for the year 1999–2000; [90284]

(2) what were the set-up costs of the regional development agencies; and how much are the projected running costs for the current financial year; [90285]

Mr. Caborn: I refer the right hon. Member to the answer given to my hon. Friend the Member for Dudley, South (Mr. Pearson) by the Parliamentary Under-Secretary of State, my hon. Friend the Member for Mansfield (Mr. Meale), on 17 May 1999, *Official Report*, columns *246–48*, which gave details of resource allocations to regional development agencies (RDAs) for this financial year. In the last financial year, when they were set up, RDAs received grant in aid of £5.138 million.

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions how much in grants has been allocated by each regional development agency since its inception. [90286]

Mr. Caborn: Regional Development Agencies (RDAs) took on their executive functions on 1 April 1999. Between then and 30 June RDAs have paid the following amounts in grant:

RDA	*£ million*
One North East	0.762
North West	1.310
Yorkshire Forward	2.558
East Midlands	1.434
Advantage West Midlands	0.981
East of England	0.311
South East	2.117
South West	3.020

English Partnerships

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions how much public money will be received by English Partnerships in 1999–2000 and 2000–01. [90281]

Mr. Caborn: I refer the right hon. Member to the answer given to my hon. Friend the Member for Workington (Mr. Campbell-Savours) by the Parliamentary Under-Secretary of State, my hon. Friend the Member for Mansfield (Mr. Meale) on 6 July 1999, *Official Report*, column *448*.

Mr. Redwood: To ask the Secretary of State for the Environment, Transport and the Regions (1) how much money English Partnerships has granted to British industry in the latest year for which figures are available; [90282]

(2) how much money English Partnerships plans to provide in grant to British industry over the next financial year. [90283]

Mr. Caborn: The principal means of support for British industry is through English Partnerships Partnership Investment Programme (PIP). Grant in aid for PIP amounted to £200.7 million in 1998–99 and there is planned expenditure of £185 million in 1999–2000.

Rail Vehicle Accessibility

Mrs. Anne Campbell: To ask the Secretary of State for the Environment, Transport and the Regions if the fleet of new trains to be introduced into service by Central Trains Ltd. and Anglia Railways Train Services Ltd. complies with the provisions of the Rail Vehicle Accessibility Regulations 1998; and if he will make a statement. [90800]

Ms Glenda Jackson: As I explained in my answer to my hon. Friend the Member for Harrow, East (Mr. McNulty) on 9 March 1999, *Official Report*, column *167*, we are expecting to receive a number of exemption applications from train operating companies whose designs for new rail vehicles were well advanced prior to the 1998 Regulations coming into force.

We have received applications from both Central Trains Ltd. for their Class 170/5 rail vehicles and Anglia Railways Train Services Ltd. for their Class 170/2 rail vehicles. The exemptions have been assessed by our statutory advisers, the Disabled Persons Transport Advisory Committee. They are mostly of a minor nature and have been requested for a relatively short time only.

The exemptions will not prevent disabled people from using the new trains. Indeed we believe that their introduction will make a significant contribution to improving mobility opportunities for disabled people. Exemption Orders have been laid in Parliament today.

Shellfish Waters Directive

Mr. Burgon: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to announce new designations under the European Commission's Shellfish Waters Directive. [90923]

Mr. Meacher: A list of 93 areas in England to be designated under the Shellfish Waters Directive has been placed in the House. New designations will be made in 76 locations and the existing 17 designations will be included within revised boundaries for those areas.

These new designations take account of views expressed in a wide ranging public consultation exercise. I believe that they will more than meet the expectations of the shellfish industry. This extensive package of new designations will improve our environmental credentials in Europe. It represents very good news for the shellfish industry, the quality of whose harvests will be improved. But, more importantly from a water quality viewpoint, it should be good news for environmentalists, who should see yet further improvements in water quality around our coasts and in estuaries. Pollution control measures for designated waters will help improve nearby bathing waters.

I believe that all shellfish waters currently in need of protection are now covered by the pollution prevention measures which apply following designation. But I will keep the situation under review so that other shellfish areas can be protected where necessary.

For public health reasons, we need to minimise the levels of bacteria in shellfish. The Government's aim is that bacteriological standards should be achieved in designated waters which allow harvesting areas to achieve at least category B standard under the system applied by the Ministry of Agriculture, Fisheries and Food to classify shellfish harvesting areas for food safety purposes.

We expect the total cost of improvements to continuous and intermittent discharges affecting shellfish waters in England to be around £81 million between 2000 and 2005. Much of this expenditure is necessary to achieve other water quality and environmental objectives, including those for bathing waters. The current Periodic Review of water company price limits will include allowance for the necessary investment by water companies.

Tree Preservation Orders

Mr. Burgon: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to bring forward new regulations on tree preservation orders; and if he will make a statement. [90924]

Mr. Meacher: The Town and Country Planning (Trees) Regulations have been laid in both Houses today, and are due to come into force on 2 August. The Regulations will replace all existing secondary legislation in England and Wales on the subject of tree preservation orders.

A consultation paper setting out our proposals for these Regulations was issued in July last year. A summary of responses to the consultation paper, 204 in all, has been placed in the House Library.

A large majority of respondents broadly supported our proposals, so we have modelled the new Regulations closely on the provisions in the consultation paper.

We have made some revisions, however, in response to detailed points made in consultation. Local authorities were concerned that our proposals on compensation would lead to an unwelcome increase in petty claims for minor loss or damage caused by protected trees, so we have taken steps to rule out such claims by setting a lower limit of £500. In response to a general call for tree preservation orders to be circulated more widely, local authorities will be required to copy each new order to the people whose property adjoins the land on which the protected trees stand. In response to concerns that our proposal to exempt the pruning of fruit trees was open-ended, we have included new provisions making

clear that such pruning must be carried out in accordance with good horticultural practice. Our proposals for speeding up appeals to the Secretary of State, which are made against a local authority's refusal of consent to do work on protected trees and handled without an inquiry or hearing, have also been revised to bring them into line with forthcoming reforms of planning appeals.

FOREIGN AND COMMONWEALTH AFFAIRS

Kashmir

Mr. Fabian Hamilton: To ask the Secretary of State for Foreign and Commonwealth Affairs if the Government will provide assistance to innocent people who have had lives and property damaged on either side of the Kashmir line of control by Indian forces. [89890]

Clare Short: I have been asked to reply.

As we state in the Conflict Reduction and Humanitarian Assistance Policy Statement, we will provide humanitarian assistance to people affected by armed conflict, wherever this may be (a copy of the Statement is in the Library of the House). We will consider proposals to relieve the humanitarian needs of people on either side of the Line of Control in accordance with our policy statement.

Kosovo

Mr. Maples: To ask the Secretary of State for Foreign and Commonwealth Affairs what is his Department's policy on the currency in Kosovo; and when a final decision on the currency to be used in Kosovo will be taken. [90127]

Mr. Tony Lloyd: Such decisions are for the United Nations Mission in Kosovo (UNMIK).

Libya

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) what discussions have taken place between Ministers and officials in his Department and those in the Department of Trade and Industry, concerning delegations of hon. Members intending to visit Libya; [90097]

(2) what advice has been provided by his Department to hon. Members intending to join delegations visiting Libya. [90098]

Mr. Hoon *[holding answer 7 July 1999]:* I refer the hon. Member to the statement given by my right hon. Friend the Foreign Secretary in the House on 7 July 1999, *Official Report*, columns 1033–34.

Commonwealth Head of Government Meetings

Lorna Fitzsimons: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the procedure for drawing up the agenda for the Commonwealth Heads of Government meetings; and when the agenda for the next meeting will be *(a)* determined and *(b)* published. [90109]

Mr. Tony Lloyd: The agenda for a Commonwealth Heads of Government Meeting (CHOGM) is initially drawn up by the host Government in consultation with the Commonwealth Secretariat. This provisional agenda is then circulated to all Heads of Government for comment. We understand that a provisional agenda for the forthcoming CHOGM, in November in South Africa, will be circulated in September. However, the South African Government have already proposed that the agenda be centred around the special theme of "People-Centred Development: The Challenge of Globalisation".

"Reinventing the Commonwealth"

Lorna Fitzsimons: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the Foreign Policy Centre's recent report on Reinventing the Commonwealth. [90112]

Mr. Tony Lloyd: We share the view of the Foreign Policy Centre and other organisations that the role of the Commonwealth in the 21st century needs careful re-examination, particularly in order to ensure that its values, objectives and principles are more widely understood and shared. We consider the Centre's report a useful contribution to the debate.

UN Commission on Human Rights

Mr. McNamara: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the substantive resolutions and decisions made at the 55th session of the UN Commission on Human Rights meeting in Geneva on 22 March to 30 April. [89900]

Mr. Tony Lloyd: Eighty two resolutions and 13 decisions were adopted at the 55th session. A full list is available in the Library of the House and on the UN High Commissioner for Human Rights' internet website.

Mr. McNamara: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will name the members of the United Kingdom delegation to the 55th session of the UN Commission on Human Rights. [89901]

Mr. Tony Lloyd: The 55th session of the UN Commission on Human Rights was attended by the late Derek Fatchett, who made a national statement in plenary on behalf of the United Kingdom.

The United Kingdom delegation was headed by Audrey Glover CMG. She was supported by a team of officials from the United Kingdom Permanent Missions in Geneva and New York, and received additional support from London.

Mr. McNamara: To ask the Secretary of State for Foreign and Commonwealth Affairs what were the issues of substance concerning the death penalty discussed under Item 17 at the 55th session of the UN Commission on Human Rights; what position was argued by the United Kingdom; what issues were put to the vote; what were the voting figures; and which way the United Kingdom voted on each occasion. [89902]

Mr. Tony Lloyd: The UK co-sponsored an EU resolution calling on all States to abolish the death penalty and, where it is retained, to observe minimum international safeguards. The resolution, the text of which is available on the website of the office of the UN Commission on Human Rights, was adopted by 30 votes in favour, with 11 against and 12 abstentions. A paragraph vote tabled with the aim of weakening the text was defeated.

The UK also co-financed with Germany a panel discussion on the death penalty, with expert participants from the Council of Europe, International Commission of Jurists, Russia, Egypt, Pakistan, UK, USA and Trinidad and Tobago.

Mr. McNamara: To ask the Secretary of State for Foreign and Commonwealth Affairs what issues were raised by the United Kingdom on the concept and practice of affirmative action under Item 16 at the 55th session of the UN Commission on Human Rights; what resolutions were moved by the United Kingdom; and what was the result. [89903]

Mr. Tony Lloyd: The United Kingdom sponsored a decision entitled "The concept and practice of affirmative action", under agenda item 16 at the 55th session of the UN Commission on Human Rights. The decision endorses the appointment of a Special Rapporteur to undertake a study on the subject of affirmative action. It was adopted by consensus by the Commission. There were no resolutions on this topic under this agenda item.

Human Rights Project Fund

Sir John Stanley: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the projects, with the amounts of grant being paid in each case, being supported by the Human Rights Project Fund in *(a)* Armenia, *(b)* Azerbaijan, *(c)* Georgia, *(d)* Kazakhstan, *(e)* Kyrgyzstan, *(f)* Tajikistan, *(g)* Turkmenistan and *(h)* Uzbekistan. [89898]

Mr. Tony Lloyd: The Human Rights Project Fund supported six projects in Georgia, Kazakhstan and Turkmenistan in 1998–99. Details are set out in the reply to my hon. Friend the Member for Tooting (Mr. Cox), 11 May 1999, *Official Report,* column *110.* In the present financial year no projects in any of the countries referred to in the question have, as yet, been funded by the Human Rights Project Fund.

HOME DEPARTMENT

Fire Safety

Mrs. Brinton: To ask the Secretary of State for the Home Department when regulations will be made to give effect to the Government's decision to take the necessary steps to meet the concerns expressed by the European Commission about the United Kingdom's implementation of the general fire safety provisions of the European Council framework directive, as set out in his answer to the hon. Member for Nottingham, East (Mr. Heppell) of 8 April 1998, *Official Report,* column *255;* and if he will make a statement. [90697]

Mr. George Howarth: I have laid before Parliament Regulations to amend the Fire Precautions (Workplace) Regulations 1997 to the necessary extent to address the Commission's concerns about meeting the terms of the directive in full. The Regulations, as amended, apply throughout Great Britain. A regulatory impact assessment is attached to the Regulations showing that the estimated costs to employers attributable to these Regulations is expected to be between £2.3 million and £28.2 million. I am satisfied that the balance between cost and benefit is the right one in the circumstances. Copies of the Regulations and the regulatory impact assessment are in the Library.

There are two main changes to the 1997 Regulations. First, the deletion of most of the exceptions from the application provisions of these Regulations (among them, one for fire certificated premises) to meet the Commission's concerns. Second, in the light of the views expressed in response to the public consultation exercise we conducted, we have also taken this opportunity, for reasons of consistency, to provide the Regulations with a criminal sanctions only regime that is in line with existing fire safety and health and safety legislation. The Regulations, in their amended form, come into force on 1 December 1999. This, we hope, will give everyone sufficient time to prepare for their introduction.

We expect to publish fresh guidance for employers on 22 July to help them to meet their fire safety responsibilities in the workplace. To complete the picture, new guidance on the enforcement provisions and other requirements of the amended Regulations will be issued to fire authorities this autumn, after consultation of interested parties.

Domestic Violence

Lorna Fitzsimons: To ask the Secretary of State for the Home Department what plans he has to bring forward proposals for a new legal definition of domestic violence. [90110]

Mr. Boateng: There is currently no legal definition of domestic violence, since domestic violence is not a specific offence. The Government have no plans to change this situation.

Her Majesty's Inspectorate of Constabulary recently introduced a new definition for use by police forces in their returns of incidents reported. This is purely for the purposes of national statistics, to ensure that data obtained are more precise, consistent and comparable. It is not designed to change operational practice or to prevent police forces or other agencies from using other definitions if they consider that helpful locally.

Rape

Lorna Fitzsimons: To ask the Secretary of State for the Home Department what plans he has to review the definition of belief on the part of defendants in rape cases. [90241]

Mr. Boateng: This will form part of the consideration of the law by the Sex Offences Review.

Security Service

Mr. Cohen: To ask the Secretary of State for the Home Department, pursuant to his answer of 1 March 1999, *Official Report,* column *568,* on the Security Service, if he will list the law enforcement agencies which could potentially task the Security Service with respect to serious crime. [89655]

Mr. Straw: The Security Service Act 1996 does not define the meaning of "law enforcement agencies" for the purpose of the Act.

However, I would regard a law enforcement agency for these purposes (and having regard to the serious crime provision in section 1(4) of the 1989 Act) as being a public body or government department whose functions include investigation of serious crime.

In practice, the Security Service will generally be acting in support of the following law enforcement agencies:

National Criminal Intelligence Service (NCIS)

National Crime Squad

Police forces

Her Majesty's Customs and Excise.

However, as the then Government made clear in the debate on the Security Service Act 1996, other agencies, including the Serious Fraud Office, the Immigration Service and the Inland Revenue, could also receive support from the Security Service.

All requests for Security Service assistance to law enforcement agencies in support of the prevention or detection of serious crime are co-ordinated through the NCIS in accordance with arrangements formally agreed between the Director General of NCIS and the Security Service.

Departmental Modernisation

Mr. Beggs: To ask the Secretary of State for the Home Department (1) if he will list the *(a)* consultancies, *(b)* companies and *(c)* project managers involved in the computerisation and modernisation of (i) the Immigration and Nationality Directorate and (ii) the Passport Agency; [89924]

(2) if he will list the companies that are or have been responsible for *(a)* consultancy and project management and *(b)* the supply of computer hardware and software in relation to the information technology programmes which are currently being planned and implemented in (i) the Passport Agency, (ii) the Immigration and Nationality Directorate and (iii) the Immigration Service; and, in each case, what penalties are included in their contracts for failure to deliver to cost, on time and to standard; [89886]

(3) if he will list the information technology programmes that have been planned and those which are currently being implemented to update *(a)* the Passport Agency, *(b)* the Immigration and Nationality Directorate and *(c)* the Immigration Service, indicating in each case (i) their purpose, (ii) what stages of implementation have been planned and (iii) when it is expected to be fully implemented; [89885]

(4) if he will list *(a)* the payments received and *(b)* those currently being negotiated in respect of the failure of companies to fulfil their contracts in respect of the computerisation of the (i) Immigration and Nationality Directorate and (ii) the Passport Agency since 1990; [89887]

(5) if he will make a statement regarding the compatibility of the software and data handling systems currently being implemented in *(a)* the Immigration and Nationality Directorate and *(b)* the Passport Agency; [89884]

(6) if he will place in the Library copies of all documents relating to the computerisation of *(a)* the Immigration and Nationality Directorate, *(b)* the Document Reception Centre, *(c)* the Public Inquiry Office, *(d)* the casework programme and *(e)* the Passport Agency, listing those pages which have been withheld, giving the reason in each case. [89883]

Mr. Mike O'Brien: In view of the detail sought, I shall write to the hon. Member.

Mr. Beggs: To ask the Secretary of State for the Home Department if he will list the contracts awarded in relation to computerisation of the Immigration and Nationality Directorate, indicating in each case to whom it was awarded and on what date. [89881]

Mr. Mike O'Brien: The following contracts are currently used for major computer developments in the Immigration and Nationality Directorate.

	Contractor	*Awarded*
Casework Programme	Siemens Business Services	July 1996
Home Office Information Technology Service	Sema Group	November 1994
Government Catalogue	EDS	[1]April 1996
Suspect Index development and support contract	ICL	December 1992
Home Office Unix Systems Environment	BULL and ICL	October 1992
Impact/Rosplan (ports resource planning)	BAA	March 1997

[1] By Central Computer and Telecommunications Agency

Young Offenders

Dr. Cable: To ask the Secretary of State for the Home Department how many young offenders received a caution plus in 1998–99 in each police authority area in England. [89922]

Mr. Boateng: Information on caution plus schemes is not collected centrally.

Dr. Cable: To ask the Secretary of State for the Home Department what is the average time accused young offenders spend between being charged by the police and first appearing in court in each police authority area in England. [90051]

Mr. Boateng: The exact information requested is not available. Information on the duration of criminal cases is available from the magistrates courts Time Intervals Survey which is carried out by the Lord Chancellor's Department. The latest available results refer to 1998 when the survey collected information on cases completed in magistrates courts in one week of each of February, June and October. The date of first appearance in court is not collected by the survey but the date of first listing—which is the same as first appearance when the defendant appears at first listing—is collected. The 1998 surveys do not specifically distinguish between adult and youth

defendants, but do differentiate whether a case was completed in a Youth Court or an Adult Court, and the answer is supplied on that basis.

The table shows the average time from charge to first listing for defendants in indictable cases in the Youth Court by police authority area in England, and for England as a whole, in 1998.

Average number of days from charge to first listing for charged defendants in indictable cases in the Youth Court, 1999 [1,2,3]

Police authority area	*Average number of days from charge to first listing*	*Number of defendants (sample size)*
Avon and Somerset	23	50
Bedfordshire	23	12
Cambridgeshire	30	44
Cheshire	33	52
City of London[4]	n/a	n/a
Cleveland	25	75
Cumbria	29	34
Derbyshire	33	47
Devon and Cornwall	27	31
Dorset	22	17
Durham	25	86
Essex[5]	33	74
Gloucestershire	29	31
Greater Manchester	26	228
Hampshire	20	100
Hertfordshire[5]	37	49
Humberside	19	75
Kent	27	82
Lancashire	25	165
Leicestershire	28	56
Lincolnshire	28	20
Merseyside	23	109
Metropolitan[4,5]	29	478
Norfolk	25	49
North Yorkshire	21	32
Northamptonshire	33	19
Northumbria	27	229
Nottinghamshire	28	107
South Yorkshire	27	99
Staffordshire	25	111
Suffolk	33	30
Surrey[5]	37	39
Sussex	35	30
Thames Valley	27	98
Warwickshire	22	78
West Mercia	26	49
West Midlands	27	139
West Yorkshire	28	186
Wiltshire	39	27
England	27	3,237

[1] Excludes defendants summoned to court (i.e. rather than charged).

[2] Defendants for whom the offence to charge time was over 10 years, or where the time from charge to first listing or first listing to completion was over 1 year, are excluded from the analysis.

[3] Small sample sizes mean that figures are subject to greater sampling error. Results based on a sample size of less than 100 should be interpreted with particular caution.

[4] Youths charged by the City of London police are normally dealt with at an Inner London Youth Court and are included in results for the Metropolitan Police Authority area.

[5] The Metropolitan Police Authority covers parts of Essex, Hertfordshire and Surrey. Defendants charged by the Metropolitan Police but whose case was completed in a magistrates court in Essex, Hertfordshire or Surrey are included in the results for these police authority areas.

Source:

Lord Chancellor's Department Time Intervals Survey

Refugees (Balkans)

Mr. Green: To ask the Secretary of State for the Home Department how many refugees from *(a)* Bosnia and *(b)* Kosovo have arrived in the United Kingdom in each of the past five years. [90049]

Mr. Mike O'Brien: The available information is given in the table. This relates to people who have applied for asylum and is a separate measure from those who arrived in the United Kingdom under the recent humanitarian and medical evacuation programme. Under those programmes, 4,380 Kosovars have arrived in the United Kingdom. A number of these may subsequently apply for asylum and thus be included in the tables. In addition, 2,736 arrived under earlier programmes announced from 1992 and 1995. I regret that, prior to 1996, statistics for the former Yugoslavia were not recorded under the individual states. It is also not possible separately to identify Kosovars within the available statistics for the Federal Republic of Yugoslavia.

Asylum applications [1] *received in the United Kingdom, excluding dependants, 1996 to 1999* [2] *for nationals of Bosnia and the Federal Republic of Yugoslavia*

Year	*Bosnia*	*Federal Republic of Yugoslavia*
1996	245	400
1997	170	1,865
1998	160	7,395
1999	50	3,455

[1] Figures rounded to the nearest 5

[2] January to May

Correspondence

Mr. Kaufman: To ask the Secretary of State for the Home Department when he intends to reply to the letters to him dated 19 March, 22 April and 27 May with regard to Mr. Kochi Ahmed, husband of Mrs. S. Khan, from the right hon. Member for Manchester, Gorton. [89959]

Mr. Straw: I replied to my right hon. Friend's letters on 6 July.

Rohypnol

Mr. Llwyd: To ask the Secretary of State for the Home Department what estimate he has made of the number of crimes involving Rohypnol in the last year; and what steps have been taken by Her Majesty's Government to raise public awareness on this issue. [89941]

Mr. George Howarth: We understand that in 1998, the Forensic Science Service screened 139 samples in rape cases for flunitrazepam (Rohypnol) with no positive results. Up until 20 May this year, 45 samples had been screened in rape cases also with no positive results.

The Home Office has recently given a police research award to two Metropolitan police officers for a research project which aims to establish the extent of drug assisted sexual offences in the United Kingdom. They are expected to report in April 2000. We will await the results of the study before making a decision on whether and how to further raise public awareness on the issue or take any further action.

Asylum Seekers

Mr. Allan: To ask the Secretary of State for the Home Department what advice he has received on the compatibility of the prosecution for bearing false documents of asylum seekers in transit with Article 31 of the 1951 UN Convention relating to the status of refugees. [89717]

Mr. Mike O'Brien: The details of the advice I receive from my officials are confidential, but I am advised that prosecution in these circumstances is not necessarily incompatible with the United Kingdom's obligations under Article 31. However, a decision about whether or not to prosecute in a particular case is entirely a matter for the Crown Prosecution Service.

Palace of Westminster (Demonstrations)

Mr. Amess: To ask the Secretary of State for the Home Department if he will make a statement on the arrangements for *(a)* permitting and *(b)* policing demonstrations in the neighbourhood of the Palace of Westminster; who is responsible for issuing such permission; and on what authority. [89830]

Kate Hoey: Police permission is not required for people to assemble and protest peacefully. Marches or processions must be notified to the police. Under the Public Order Act 1986, the police have powers to impose conditions if it is necessary to prevent serious public disorder, serious damage to property, or serious disruption to the life of the community or intimidation. The Commissioners of Police, in both the City and Metropolitan police areas may, with the consent of the Secretary of State, make an order prohibiting the holding of processions for a specified period within their police areas.

In most cases, organisers contact the police who will advise on how the protest should be held without causing obstruction, breach of the peace or contravening any other legislation. Inevitably, there are cases where the numbers attending a demonstration will cause some obstruction and arrangements are made which endeavour to strike the correct balance between the rights of the protesters and those people going about their day to day business.

The policing of demonstrations in the neighbourhood of the Palace of Westminster is undertaken by the Charing Cross Division of the Metropolitan police with due regard to various legislation including the Public Order Act 1986, the Highways Act 1835, Common Law and the Sessional Orders.

Under Section 52 of the Metropolitan Police Act 1839 and Sessional Orders, the Commissioner of the Metropolitan Police instructs all constables of the Metropolitan police to facilitate free passage to and from the Palace of Westminster on any day when Parliament is sitting. In carrying out this duty, no march will be authorised where there is any possibility of interference with Members travelling to or from the Houses of Parliament.

Race Relations Forum

Mr. McNamara: To ask the Secretary of State for the Home Department how many meetings the Race Relations Forum has held since its formation; what priorities and targets the Forum has adopted; what representations the Forum has made to which departments of Government; what changes have been made to the membership of the Forum; what procedures are in place for the appointment of new members of the Forum; and what measures the Forum has taken to secure representations from the Irish community. [89904]

Mr. Straw: The Forum has met four times: on 23 June, 14 October 1998, 9 March and 28–29 June 1999. The Forum has discussed race issues in the Home Office and its services with me and the Permanent Secretary; in the armed forces with my right hon. Friend the Secretary of State for Defence; and with my right hon. Friend the Secretary of State for Education and Employment in his areas of responsibility. It also had a presentation from two of the Advisers to the Stephen Lawrence Inquiry and discussed how the Report's recommendations might be implemented. At its last meeting, it considered the development of a race equality strategy across government.

There have been three changes in membership. Pauline Schofield, Project Co-ordinator of the Birmingham Irish Community Forum, has replaced Gobnait Ni Chrualaoi, who resigned as the representative of the Irish community. Sukhvinder Kaur Stubbs, Chief Executive of the Runnymede Trust and a Member of the Department for Education and Employment Advisory Group on Raising Awareness of Ethnic Minority Pupils, and Gloria Mills, Director of Equal Opportunities at UNISON, have joined the Forum. Appointments are made on the basis of recommendations from a selection panel comprising the Head of the Race Equality Unit, my Race Relations Adviser and an independent, academic member.

Family Court Welfare Officers

Mr. Harvey: To ask the Secretary of State for the Home Department what progress he has made in reviewing the future arrangements for the Family Court Welfare Officer Service; what plans he has to amalgamate their Service with that of the guardians ad litem; when such changes will be made; and if he will make a statement. [90077]

Mr. Vaz: I have been asked to reply.

Ministers and officials have been considering the key issues arising from last year's inter-departmental consultation paper on the future organisation of court welfare services. Discussions are proceeding and a decision is expected shortly.

TREASURY

Single-earner Couples

Mr. Fabian Hamilton: To ask the Chancellor of the Exchequer what plans he has to reintroduce the option of joint tax assessment for married couples, with particular reference to single-earner couples. [89895]

Dawn Primarolo: None. The Government believe that the measures announced in the Chancellor's Budgets—such as the 10p starting rate of tax, National Insurance Contributions reform, the introduction of the children's tax credit—provide a better deal for people in work and for families.

Income Tax

Sir Teddy Taylor: To ask the Chancellor of the Exchequer if he will initiate inquiries into the delays involved in issuing the CIS5 and CIS6 certificates to industrial and commercial firms; and if he will take steps to ensure that the relevant certificate will be issued to Messrs EK Mechanical Services of 97 West Road, Westcliff on Sea, Essex, by the Inland Revenue before 1 August. [90184]

Dawn Primarolo: The Inland Revenue is taking all possible steps to issue CIS5 and CIS6 certificates as rapidly as possible to all applicants who qualify for them. The majority of those applicants have already been issued with the relevant certificate. The balance will be issued as soon as possible, bearing in mind that the new scheme begins on 1 August.

It would not be proper to disclose publicly whether an individual taxpayer has received or will receive a certificate, since that would involve disclosure of his or her personal tax affairs. I will write to the hon. Member specifically on his constituent.

Departmental Joint Working

Ms Lawrence: To ask the Chancellor of the Exchequer what action he is taking to improve joint working between his departments. [90735]

Dawn Primarolo: A number of Government departments—not only ones reporting to the Chancellor of the Exchequer—will be working on a pilot project to test different ways in which Government departments can work together more closely. The focus for this pilot will be the fashion industry in London. The aim of the pilot is to improve services to business through joint working (eg combined visits and trader education) to help traders understand what they need to do to meet legislative requirements. The pilot will also be looking to identify ways of raising compliance and reducing fraud and creating a level playing field for business so that legitimate business can thrive.

Road Fuels (Northern Ireland)

Ms Lawrence: To ask the Chancellor of the Exchequer what assessment he has made of the loss of revenue from cross-border shopping and smuggling of road fuels, petrol and diesel from the Republic of Ireland into Northern Ireland. [90736]

Ms Hewitt: Customs and Excise has provisionally assessed the combined loss from cross-border shopping and smuggling to be of the order of £100 million per annum.

International Financial Crises

Mr. Kidney: To ask the Chancellor of the Exchequer what is the United Kingdom's position as regards the responsibility of the private sector in the response to international financial crises. [87881]

Ms Hewitt: We are working with our G7 partners to shape expectations so that private-sector creditors know that they will be expected to bear the consequences of the risks they take. There are several ways in which this can be achieved. First, there needs to be a greater use of market-based tools to involve the private sector in forestalling and managing crises, for example through a broader use of collective action clauses in sovereign debt contracts. Second, efforts should be made to ensure there is better communication and co-operation between emerging market countries and their creditors. Third, the G7 countries have agreed that a broad framework for involving the private sector in crisis resolution should be drawn up, which sets out in advance principles, considerations and a broad range of tools.

Mr. Kidney: To ask the Chancellor of the Exchequer what progress has been made on the reassessment of the objectives of IMF policy in responding to financial crises. [87880]

Ms Hewitt: At last week's summit in Cologne, G7 leaders announced a six-point plan for strengthening the international financial system. This included measures to increase the effectiveness of the IMF and the other international financial institutions; proposals to promote transparency and best practice, with the IMF monitoring compliance with new codes and standards; a new framework for involving the private sector in crisis prevention and management; steps to strengthen financial regulation in industrialized countries, and macroeconomic policies and financial systems in emerging markets where the IMF will work with the World Bank in providing advice and assistance; and promoting social policies to protect the poor and most vulnerable to ensure that they are better protected from the burden of adjustment at times of crisis.

Taken together these recommendations represent a significant strengthening of the international financial system which will help reduce the risk of financial crises and make it easier for the international financial community, especially the IMF, to manage future crises effectively. We are working closely with the IMF to see that these initiatives and reforms are implemented successfully.

Climate Change Levy

Dr. Kumar: To ask the Chancellor of the Exchequer (1) if he will estimate the effect on the balance of payments of the impact which the climate change levy will have on the chemical and steel industries in the 10 years after its introduction; [88104]

(2) what action he proposes to take to ensure that manufacturing industry remains competitive after the introduction of the climate change levy; and if he will make a statement; [88106]

(3) what assessment he has made of the effect the introduction of the climate change levy will have on inward investment in each sector of industry; and if he will make a statement; [88113]

(4) what assessment he has made of the effect of the climate change levy on energy-intensive industry on *(a)* direct and *(b)* indirect employment in that industry over the next five years; and if he will make a statement; [88010]

(5) what assessment he has made of the impact of the introduction of the climate change levy on global carbon dioxide emissions caused by industry relocating to countries with less stringent environmental legislation; and if he will make a statement; [88064]

(6) what assessment he has made of the scope for other European Union countries to introduce the climate change levy at rates which are low but consistent with them achieving their Kyoto commitment; and if he will make a statement; [88114]

(7) on what basis the calculation of the revenue generated from the introduction of climate change levy was made; and if he will make a statement; [88199]

(8) if he will publish his targets in terms of income from national insurance contributions and allowances for energy efficiency agreements on an industry by industry basis; and if he will make a statement; [88225]

(9) what estimate he has made of the net financial impact on the Government following the introduction of the climate change levy, in terms of the reduction of national insurance contributions for *(a)* central Government employees and *(b)* local government and public services employees; and if he will make a statement; [88322]

(10) what assessment he has made of the advantages of basing the climate change levy on the amount of carbon dioxide released; and if he will make a statement; [88387]

(11) if he will assess the *(a)* benefits and *(b)* disadvantages of applying the climate change levy to domestic consumers; and if he will make a statement. [88323]

Ms Hewitt: The climate change levy is estimated to save around 1.5 million tonnes of carbon a year by 2010, thereby making a very significant contribution to meeting the Government's legally-binding target for reducing greenhouse gas emissions set under the Kyoto Protocol, and its domestic goal of a 20 per cent. cut in carbon dioxide emissions by 2010.

The climate change levy will entail no increase in the overall burden of tax on business as the revenue will be fully recycled via a 0.5 percentage point cut in employer National Insurance Contributions. Business will also benefit from an additional £50m for schemes aimed at promoting energy efficiency and support for renewable sources of energy, like solar and wind power.

Following Lord Marshall's recommendations, and the Government's Statement of Intent on Environmental Taxation, the Government recognise the need for special consideration to be given to energy intensive industries given their energy usage and exposure to international competition. Consequently, significantly lower rates of tax will be set for those energy intensive sectors that agree targets for improving their energy efficiency. A number of sectors including the aluminium, iron and steel, and chemicals sectors are currently involved in those negotiations. The net impact of the climate change levy and the associated reduction in National Insurance contributions on individual sectors will depend on the rates at which the levy is set. The final rates of the levy will not be set until Finance Bill 2000.

The Government are keen to work with business on the detailed design and administration issues relating to the levy. HM Customs and Excise have just completed a further round of consultation on these issues and the Government are assessing these responses alongside other representations in deciding how to design the levy to maximise the environmental benefits whilst safeguarding competitiveness.

As the Government's climate change consultation document makes clear, all sectors of the economy will need to play their part in tackling the problem of climate change. It is not the Government's intention to introduce new taxes on domestic fuel and power, for social policy reasons. However, there are a number of measures in place to encourage energy efficiency in households, including the Home Energy Efficiency Scheme. These measures are set out in the climate change consultation document and will form part of the climate change strategy to be published later this year.

The UK is not alone in having to meet targets for reducing greenhouse gas emissions, or in using economic instruments to do so. Since 1990, seven EU countries have introduced explicit taxes on the carbon or energy content of fuels, including most recently, the 'Eco-Tax' introduced by the German government. On current projections, most OECD countries will have to introduce new measures of one form or another to meet their Kyoto obligations.

— Gold

Mr. Maude: To ask the Chancellor of the Exchequer if he will make extra provision for debt relief in the highly indebted poor countries whose export revenues and central bank reserves have been affected by falls in the gold price. [88824]

Ms Hewitt: Decisions on the level of reduction in Heavily Indebted Poor Countries' debt burdens needed to achieve debt sustainability take account of economic variables, including the level of exports.

Cabinet Joint Consultative Committee

Mr. Gordon Prentice: To ask the Chancellor of the Exchequer how many meetings of the JCC he has attended. [89279]

Ms Hewitt: I refer my hon. Friend to the answer given to him by the Prime Minister on 5 July 1999, *Official Report*, column *362*.

Jobseeker's Allowance

Mr. Keetch: To ask the Chancellor of the Exchequer if he will list from the JUVOS database for each region of the United Kingdom the proportion of all those who left the claimant count for jobs who left after *(a)* less than six months claiming jobseeker's allowance, *(b)* six to 12 months claiming jobseeker's allowance, *(c)* 12 to 24 months claiming jobseeker's allowance and *(d)* more than 24 months claiming jobseeker's allowance during (i) April 1997 to April 1998 and (ii) April 1998 to April 1999. [89370]

Ms Hewitt: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Mr. Paul Keetch, dated 8 July 1999:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your recent parliamentary question on those leaving the claimant count for jobs.

The attached tables give the information requested in respect of those claimants whose destination is known.

Claimants leaving the claimant count 10 April 1997 to 8 April 1998 who are known to have found work by duration of claim

	Duration of claim (months)				
Government office region	*0–6*	*>6–12*	*>12–24*	*>24*	*All durations percentage*
North East	78.6	11.1	5.9	4.4	100
North West	79.9	11.0	5.7	3.4	100
Merseyside	72.6	12.7	8.3	6.4	100
Yorkshire and Humberside	78.5	11.3	6.1	4.0	100
East Midlands	78.6	11.1	6.0	4.3	100
West Midlands	76.9	11.7	6.4	5.0	100
Eastern	77.4	11.8	6.3	4.6	100
London	68.0	13.9	9.2	8.9	100
South East	77.9	11.2	6.1	4.8	100
South West	79.0	10.8	5.9	4.3	100
Wales	78.0	11.6	6.5	3.9	100
Scotland	80.2	11.2	5.5	3.0	100
Northern Ireland	73.9	11.1	7.0	8.0	100

Claimants leaving the claimant count 9 April 1998–7 April 1999 who are known to have found work by duration of claim

	Duration of claim (months)				
Government office region	*>6–12*	*>6–12*	*>12–24*	*>24*	*All durations percentage*
North East	82.7	10.5	4.4	2.4	100
North West	83.6	10.7	4.0	1.7	100
Merseyside	76.3	13.3	6.4	4.0	100
Yorkshire and Humberside	82.0	11.1	4.7	2.2	100
East Midlands	83.8	10.5	4.0	1.7	100
West Midlands	81.1	11.3	5.1	2.5	100
Eastern	82.1	11.0	4.4	2.5	100
London	73.1	14.8	7.5	4.5	100
South East	82.9	10.5	4.3	2.2	100
South West	83.5	10.6	3.9	2.0	100
Wales	82.1	11.1	4.5	2.2	100
Scotland	83.2	11.0	4.2	1.6	100
Northern Ireland	76.5	11.7	5.9	5.8	100

ISAs

Mr. Loughton: To ask the Chancellor of the Exchequer (1) what research he has commissioned to gauge the take-up of ISAs among new investors; [R] [89321]

(2) how many investors have so far taken out mini or maxi ISA schemes who previously did not have *(a)* PEPs or *(b)* TESSAs. [R] [89702]

Ms Hewitt *[holding answers 1 and 5 July 1999]:* Information on the extent to which ISA investors hold PEPs or TESSAs will be identifiable from the annual returns provided to the Inland Revenue by PEP and ISA managers and TESSA operators after the end of each year.

We keep all aspects of tax policy under review, and commission research where necessary to supplement available data. For example, HM Treasury has commissioned ongoing research on the ISA market from McKinsey & Company, Inc., which will collect data from providers on take-up of ISAs by component, broken down between those accounts meeting the CAT standards and those not.

Euro (EC Seminars)

Mr. Bercow: To ask the Chancellor of the Exchequer further to his answer of 24 June 1999, *Official Report*, column *423–24*, on the Euro (EC Seminars), at which vulnerable sectors of the population The Prince Programme was targeted. [89826]

Ms Hewitt: The Prince Programme covers an information campaign called the "Euro". This includes a series of projects, with the objective of facilitating the changeover to the euro among vulnerable sectors of the population. Vulnerable sectors covered are those in economic and social difficulty, the elderly, visually impaired, hard of hearing and those with learning difficulties.

Market Research

Mr. Don Foster: To ask the Chancellor of the Exchequer if he will list the title and purpose of each item of market and opinion research commissioned by or through his Department, agencies and non-departmental public bodies since May 1997, stating in each case whether the results were published. [89697]

Ms Hewitt *[holding answer 5 July 1999]:* I regret that this information is not held centrally and can be provided only at disproportionate cost.

Divorce Statistics

Mr. Rooney: To ask the Chancellor of the Exchequer if he will give his most recent estimate of the number of marriages which ended in divorce in the last year for which figures are available. [90327]

Ms Hewitt: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Mr. Terry Rooney, dated 8 July 1999:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your recent parliamentary question on the number of marriages estimated to end in divorce.

The table below gives the numbers of marriages which took place in England and Wales in a selection of past years, and the numbers and percentages of those marriages which had ended in divorce by 1994. Also given are the percentages of those marriages estimated to have ended in divorce by the tenth wedding anniversary.

Numbers and percentages of marriages which ended in divorce, by year of marriage, England and Wales

		Marriages which ended in divorce by the end of 1994		
Year of marriage	*Number of marriages (thousand)*	*Number (thousand)*	*Percentage*[1]	*Percentage of marriages which ended in divorce by tenth wedding anniversary*
1951	361	[2]46	[2]13	[2]3
1961	347	81	23	6
1971	405	119	29	15
1981	352	95	27	21
1986	348	69	20	[2]23
1991	307	18	6	—

[1] Percentage of original number of marriages

[2] Estimates

In addition, an estimate has been made of the percentage of marriages which would end in divorce were the divorce rates by duration of marriage to remain unchanged at their 1993–94 levels. On this basis, 41 per cent. of marriages would ultimately end in divorce.

CABINET OFFICE

Ireland/UK Co-operation

Mr. McNamara: To ask the Minister for the Cabinet Office what progress has been made in co-operation between Ireland and the United Kingdom in developing east-west relations since publication of the progress report issued on the margins of the European Council Meeting in Luxembourg on 12 December 1997; on what dates the Joint Steering Group co-chaired by the Department of the Taoiseach and the Cabinet Office has met in 1998 and in 1999 to date; if he will list those documents agreed by the Joint Steering Group; and if he will place a copy of each in the Library. [89899]

Mr. Kilfoyle: There has been close and effective co-operation between the two Governments since the Luxembourg Council, and officials and Ministers of both Governments have continued to take forward the programme of work outlined in the Joint Report of 12 December 1997, with frequent ministerial visits in both directions. There was further evidence of the closeness of the relationship when the Prime Minister accepted an invitation from the Taoiseach to address the Irish Parliament on 26 November last year. Co-operation has also been manifested in the efforts of the two Governments to facilitate the Good Friday Agreement of 10 April 1998 and its subsequent implementation. It has not been necessary for officials of the Department of Taoiseach and the Cabinet Office to meet specifically in order to co-ordinate this work. The Government look forward to strengthening that co-operation further when the British–Irish Council and the British Irish Intergovernmental Conference, established under the agreement come into operation.

WALES

Hospital Waiting Lists

Mr. Barry Jones: To ask the Secretary of State for Wales what action he has taken to reduce hospital waiting lists; and if he will make a statement. [89854]

Mr. Jon Owen Jones: Since April 1997, the Government have invested £58 million to help NHS Wales reduce waiting lists and cope with increased pressures from emergency medical admissions during the winter months. An additional £19 million per year has been made available recurrently from 1999–2000.

Between March 1997 and March 1999 in-patient and day case waiting list figures fell from 67,609 to 65,315, following a peak of 76,016 in August 1998.

Since then, in-patient and day case waiting list figures have increased and stood at 67,732 at the end of May 1999.

Bringing waiting lists down remains a priority for the Government.

Following the transfer of functions on 1 July 1999, waiting lists are now a matter for the National Assembly for Wales to address.

SOCIAL SECURITY

Incapacity Benefit

Mr. Berry: To ask the Secretary of State for Social Security if he will state the *(a)* cost of and *(b)* numbers affected by amending the law to ensure entitlement to Incapacity Benefit is reliant on a requisite record of past National Insurance contributions in (i) one of the last three complete tax years, (ii) one of the last four complete tax years, (iii) one of the last five complete tax years, (iv) one of the last six complete tax years and (v) one of the last seven complete tax years. [89714]

Mr. Bayley: Under current legislation entitlement to Incapacity Benefit depends on a minimum number of National Insurance contributions having been paid in only one tax year. The table shows the benefit savings and numbers affected in the first, third and tenth years of requiring the same amount of contributions to have been paid in one of the last three, four, five, six and seven years. Only about 30 per cent. of those affected would have a cash loss. In 70 per cent. of cases Income Support would fully compensate for loss of entitlement to Incapacity Benefit.

	Savings Year 1 £ million	Number affected Year 1	Savings Year 3 £ million	Number affected Year 3	Savings Year 10 £ million	Number affected Year 10
Tax years over which contributions must be paid						
1 in 3	20	25,000	55	55,000	115	110,000
1 in 4	15	15,000	35	40,000	80	80,000
1 in 5	10	15,000	30	30,000	60	60,000
1 in 6	10	10,000	20	20,000	45	45,000
1 in 7	5	5,000	15	15,000	35	35,000

Notes:
1. Figures may not sum due to rounding.
2. All figures are in April 1998 benefit rates. Savings figures quoted are net benefit expenditure savings.

State Pensions

Mr. Field: To ask the Secretary of State for Social Security if he will estimate the net saving to public expenditure of raising the state pension age to *(a)* 66 and *(b)* 67 years from 2039. [90188]

Mr. Timms: The information could be obtained only at disproportionate cost.

Mr. Field: To ask the Secretary of State for Social Security what proportion of pensioner benefit units claiming Income Support, where the head of household is over 80 years, receive *(a)* at least one full basic state pension and *(b)* some payment of basic state pension. [90189]

Mr. Timms: The information is not available in the form requested. Such information as is available is in the table.

The proportion of claimants aged over 80 in receipt of Income Support and retirement pension

Pensioners	*Number*
Total Income Support claimants over 80	593,000
Percentage receiving a full basic State pension	87.7
Percentage receiving an element of the basic State pension	8.8
Percentage not in receipt of any basic State pension	3.6

Notes:
1. The table shows information relating to the type of pension received by the claimant only, rather than the benefit unit. Of the claimants aged over 80, 31,000 have partners of pension age, of whom 30,000 are receiving some State pension. Information on the type of pension in payment to a partner cannot be included in the table, as the sampling methods used to obtain this information relate to individual pensioners, not benefit units.
2. Estimates of the number of Income Support claimants aged over 80 years, and the number of partners, are rounded to the nearest thousand.
3. Estimates of Income Support and State Pension caseloads are based on a 5 per cent. sample size, and are therefore subject to a degree of error.

Sources:
1. Income Support Quarterly Statistical Enquiry February 1999
2. Pensions Strategy Computer System January 1999

Primary Benefit Recipients

Mr. Rooney: To ask the Secretary of State for Social Security if he will list for the most recent available date the number of primary benefit recipients who are *(a)* married men with dependent children, *(b)* married women with dependent children, *(c)* single men with dependent children, *(d)* single women with dependent children, *(e)* single men under pension age, *(f)* single women under pension age, *(g)* married male pensioners, *(h)* married female pensioners, *(i)* single male pensioners and *(j)* single female pensioners, broken down for each benefit. [90323]

Angela Eagle: The information is not available in the format requested. Such information as is available is in the tables.

Number of primary benefit recipients where marital breakdown is available

	Income Support (February 1999)	Jobseeker's Allowance (November 1998) [1]	Family Credit (February 1999)	Disability Working Allowance (January 1999) [2]
Married men with children[3]	163,000	138,000	298,000	3,743
Married women with children[3]	36,000	8,000	90,000	582
Single men with children[3]	59,000	4,000	16,000	217
Single women with children[3]	977,000	10,000	385,000	1,991
Single men less than 65	626,000	683,000	16,000	4,776
Single women less than 60	1,367,000	227,000	385,000	5,558
Married male pensioners[4]	126,000	n/a	n/a	15
Married female pensioners[4]	19,000	n/a	n/a	15
Single male pensioners[4]	205,000	n/a	n/a	7
Single female pensioners[4]	1,083,000	n/a	n/a	26

[1] All Jobseeker's Allowance cases are shown and may therefore include some cases where nil benefit is in payment but the claimant signs for National Insurance Contributions only.
[2] Numbers are rounded to the nearest thousand except Disability Working Allowance where exact figures have been provided.
[3] Dependent children are defined as aged 0–18 years.
[4] Pensioners are defined as men aged 65 and over, and women aged 60 and over.

Notes:
1. Primary benefit recipients have been interpreted as being the benefit claimant.
2. Family Credit figures reflects the gender of the main earner when in practice the primary recipient is normally the female.

Sources:
1. Income Support Statistics Quarterly Enquiry, February 1999
2. Jobseeker's Allowance Statistics Quarterly Enquiry, November 1998
3. Family Credit 5 per cent. sample of all awards as at February 1999
4. Disability Working Allowance 100 per cent. count of claims as at January 1999

Number of primary benefit recipients where marital breakdown is not available

	Retirement Pension [1]	Widow's Benefit [1]	Incapacity Benefit [2]	Severe Disablement Allowance [2]	Attendance Allowance [3]	Disability Living Allowance [3]
Men with dependent children	15,500	n/a	85,480	2,360	n/a	n/a
Women with dependent children	3,900	46,700	20,220	4,000	n/a	n/a
Men under pension age	n/a	n/a	1,035,020	145,940	n/a	817,700
Women under pension age	n/a	234,900	488,080	183,640	n/a	635,200
Men over pension age	3,961,100	n/a	58,220	6,100	347,900	217,100
Women over pension age	6,905,500	n/a	18,140	34,640	884,100	372,300

[1] Figures as at 31 March 1999 based on a 5 per cent. sample from the Pension Strategy Computer System, including people resident overseas.
[2] Figures as at 30 November 1998 based on a 5 per cent. sample of the PSCS Incapacity system, and may exclude a small number of cases held clerically.
[3] Figures as at 28 February 1999 based on a 5 per cent. sample.

Recipients of council tax benefit by status, pensioner status and dependent children, for GB, May 1998 where there is no available gender breakdown

	With dependent children [1]	Non-pensioners [2]	Pensioners [2]
Recipients with partner	473,000	657,000	681,000
Single recipients	1,033,000	2,057,000	1,930,000
Total recipients	1,506,000	2,714,000	2,611,000

[1] Recipients with dependent children could be pensioners or non-pensioners, similarly, pensioners or non-pensioners may have dependent children.
[2] 'Pensioner' status has been determined by those in receipt of any of the pensioner premiums, and therefore non-pensioners or are those not in receipt of a pensioner premium.
Note:
The data is provisional and has been rounded to the nearest thousand.
Source:
Management Information System 1 per cent. sample taken in May 1998

Recipients of housing benefit by status, pensioner status and dependent children, for GB, May 1998 where there is no available gender breakdown

	With dependent children [1]	Non-pensioners [2]	Pensioners [2]
Recipients with partner	398,000	536,000	394,000
Single recipients	1,015,000	2,114,000	1,431,000
Total recipients	1,413,000	2,650,000	1,825,000

[1] Recipients with dependent children could be pensioners or non-pensioners, similarly, pensioners or non-pensioners may have dependent children.
[2] 'Pensioner' status has been determined by those in receipt of any of the pensioner premiums, and therefore non-pensioners or are those not in receipt of a pensioner premium.
Note:
The data is provisional and has been rounded to the nearest thousand.
Source:
Management Information System 1 per cent. sample taken in May 1998

Means-tested Benefits

Mr. Rooney: To ask the Secretary of State for Social Security what evidence he has of the extent of income sharing within couples in receipt of means-tested benefits. [90322]

Angela Eagle: We have commissioned a qualitative research study into the financial arrangements of couples on benefit, which should give us a better picture of the arrangements that couples make to manage their benefit income. The results of this study should be available later this year.

The research study builds on a number of previous studies which have explored how resources are allocated within households. We have undertaken a comprehensive review of these studies which will be published in the Autumn.

Mr. Rooney: To ask the Secretary of State for Social Security what plans he has to introduce benefit splitting for means-tested benefits. [90321]

Angela Eagle: Current rules provide for benefit paid in respect of a family to be paid to the main claimant. However, there are provisions to allow the payment of all or part of the benefit to be paid to a third party, including the claimant's partner, where this is in the interests of the family; for example in cases where the claimant has difficulties in budgeting or suffers from alcohol or drug abuse. We have included provisions in the current Welfare Reform and Pensions Bill to allow these splitting arrangements to apply to hardship payments of Jobseeker's Allowance, but we have no plans for any further extensions to these arrangements at present.

HEALTH

Genetically Modified Food

Mr. Chope: To ask the Secretary of State for Health what steps the Government are taking to implement the joint recommendations of its Chief Medical Officer and Chief Scientific Adviser on population health surveillance in respect of genetically modified and other novel foods. [89055]

Ms Jowell *[holding answer 29 June 1999]:* A sub-group of the Advisory Committee on Novel Foods and Processes and other experts is already considering this issue. It has already held two open meetings and is planning to hold another shortly. It will publish proposals in due course.

Mid Essex Hospital Services Trust

Mr. Hurst: To ask the Secretary of State for Health how many patients were waiting to receive hospital treatment in Mid Essex Hospital Services Trust hospitals at *(a)* March 1996, *(b)* March 1997, *(c)* March 1998 and *(d)* March 1999. [89728]

Mr. Denham: The information available is given in the table.

Number of patients waiting for elective admission in Mid Essex Hospital Services National Health Service Trust hospitals

Year	*Total waiting*
31 March 1996	5,835
31 March 1997	8,391
31 March 1998	11,360
31 March 1999	9,967

Note:
The figures are hospital-based and include private patients as well as those funded by the NHS.
Source:
Form KH07—completed by the trust quarterly.

Mr. Hurst: To ask the Secretary of State for Health how many patients on the hospital waiting lists of the Mid Essex Hospital Services Trust had waited for treatment in March of *(a)* 1996, *(b)* 1997, *(c)* 1998 and *(d)* 1999, in excess of (i) three months, (ii) six months, (iii) nine months and (iv) 12 months. [89729]

Mr. Denham: The information available is given in the table.

Number of people waiting for elective admission at Mid Essex Hospital Services National Health Service Trust by time on waiting list

	In excess of:			
Year	*3 months*	*6 months*	*9 months*	*12 months*
31 March 1996	2,804	1,357	475	0
31 March 1997	4,035	1,904	732	104
31 March 1998	6,813	4,033	2,108	849
31 March 1999	6,043	3,693	2,191	1,093

Note:
The figures are hospital-based and include private patients as well as those funded by the NHS

Mr. Hurst: To ask the Secretary of State for Health how many patients referred to a consultant within the area of Mid Essex Hospital Services Trust as at March in the years (i) 1996, (ii) 1997, (iii) 1998 and (iv) 1999 had been waiting for their first appointment with a consultant in excess of *(a)* three months, *(b)* six months, *(c)* nine months and *(d)* 12 months. [89730]

Mr. Denham: The information requested is not available centrally. Information on the number of people waiting for a first outpatient appointment following written referral by a general practitioner who had been waiting over 13 weeks and over 26 weeks at 31 March of each year, is given in the table.

Information on time waited for all types of referral is not available centrally.

Information is not collected in separate timebands for patients waiting over 9 months or over 12 months—they are included in the 26 weeks and over category.

The number of patients waiting at Mid Essex Hospital Services National Health Service Trust to see a consultant for first outpatient appointment following written referral from a GP

	Number waiting, by time waited	
Year	*13 weeks and over*	*26 weeks and over*
31 March 1996	971	141
31 March 1997	555	74
31 March 1998	1,317	234
31 March 1999	2,422	575

Note:
These figures are provider-based and include private patients as well as those funded by the NHS.

Mr. Hurst: To ask the Secretary of State for Health how many patients received elective surgery from Mid Essex Hospital Services Trust in the years commencing *(a)* April 1995, *(b)* April 1996, *(c)* April 1997 and April 1998. [89731]

Mr. Denham: The information requested is not available centrally. The nearest proxy "count" is for the number of admissions which will count an individual each time they are admitted to hospital. The information below is extracted from Hospital Episode Statistics (HES) system. HES contains details of patients admitted to, and treated in NHS hospitals in England.

Elective admissions followed by surgery in Mid Essex Hospital Services NHS Trust in the following years:

Year commencing	*Number of elective admissions followed by surgery*
April 1995	20,023
April 1996	22,453
April 1997	21,161

Special Advisers

Mr. Don Foster: To ask the Secretary of State for Health if he will list the subject and date of each written briefing prepared by his Special Advisers for all Labour Members since May 1997 and the total number and total cost to date of these. [89989]

Ms Jowell *[holding answer 6 July 1999]:* Special Advisers are appointed under terms and conditions set out in the "Model Contract for Special Advisers". Schedule 1, Part 1 of the Model Contract sets out the role and duties of Special Advisers. As well as research for Ministers and reviewing papers, contributing to policy planning within the Department and preparing policy papers, speechwriting and liaison with outside interest groups, their role explicitly includes liaising with the Party and helping to brief Party Members of Parliament. Records are not held of when such briefings are given. Similar arrangements have applied under successive Governments.

Smoking

Mr. Jim Cunningham: To ask the Secretary of State for Health what the incidence of smoking is among teenagers *(a)* overall and *(b)* in each region. [89569]

Ms Jowell *[holding answer 7 July 1999]:* The information available is given in the tables.

Prevalence of cigarette smoking among secondary school children aged 11 to 15, and adults aged 16 to 19 England 1996

Percentage

Age	Males	Females	Persons
11	1	0	1
12	2	4	3
13	8	11	10
14	13	24	18
15	28	33	30
All pupils aged 11–15	11	15	13
Adults aged 16–19	25	32	29
Base			
Pupils aged 11–15	1,445	1,409	2,854
Adults aged 16–19	335	345	680

Notes:
1. Pupil cigarette smokers are those respondents who usually smoke one or more cigarettes a week
2. Adult cigarette smokers are those respondents who said that they smoke cigarettes at all nowadays
3. The data are rounded to the nearest whole figure

Sources:
1. ONS survey of smoking among secondary schoolchildren, 1996
2. ONS General Household Survey 1996

Prevalence of cigarette smoking among secondary school pupils aged 11 to 15, by region, 1996

Percentage

Region	Prevalence	Base
North	15	885
Midlands	13	732
South	10	890
Greater London	13	347
Total	13	2,854

Notes:
1. Pupil cigarette smokers are those respondents who usually smoke one or more cigarettes a week
2. Data are rounded to the nearest whole figure
3. The sample is too small to provide valid data by regions for adults aged 16 to 19

Source:
ONS survey of smoking among secondary schoolchildren, 1996

Prevalence of cigarette smoking among 16–19 year olds in Great Britain, by region, 1996

Standard region	Percentage smoking cigarettes	Base
North	12	56
Yorkshire and Humberside	26	50
North West	31	123
East Midlands	27	52
West Midlands	19	72
East Anglia	29	38
Greater London	24	78
Outer Metropolitan Area	38	81
Outer South East	42	60
South West	31	70
England	29	680
Wales	31	52
Scotland	31	77
Great Britain	29	809

Note:
The sample in each region for this age group is quite small

Source:
General Household Survey 1996

Mr. Jim Cunningham: To ask the Secretary of State for Health what assessment his Department has made of the impact of smoking on the ageing of the skin. [89571]

Ms Jowell *[holding answer 7 July 1999]:* Although the Department has not sponsored specific research on this topic, recent published papers have concluded that smoking causes skin wrinkling that could make smokers appear prematurely old.

Mental Health

Helen Jones: To ask the Secretary of State for Health (1) what plans he has to amend the definition of nearest relative, in section 26 of the Mental Health Act 1983; [90187]

(2) if he will bring forward amendments to the Mental Health Act 1983 to provide, for those people treated under section 131, *(a)* the right to a second opinion, *(b)* access to hospital managers' hearings and *(c)* access to mental health review tribunals; and if he will make a statement. [90185]

Mr. Hutton: My right hon. Friend the Secretary of State announced a 'root and branch' review of the Mental Health Act 1983 in July 1998. An expert committee was appointed to advise on the changes necessary, and they will shortly be making their recommendations to Ministers. The committee undertook a full consultation on a wide range of issues. Once the Government have received the expert committee's report, we will draw up final proposals for a new legislative framework and these will be subject to full formal consultation. New mental health legislation will be introduced as soon as it is appropriate to do so.

Helen Jones: To ask the Secretary of State for Health how many people are currently being treated in psychiatric hospitals under section 131 of the Mental Health Act 1983. [90186]

Mr. Hutton: Section 131 of the Mental Health Act 1983 concerns informal admissions of patients. It is not a formal detention section. Information on informal admission of psychiatric patients is not available centrally.

SCOTLAND

Refugees

Mr. Gorrie: To ask the Secretary of State for Scotland what consultations he has had with the Scottish administration and Scottish local authorities about the implications of the Immigration and Asylum Bill for refugees in Scotland. [88592]

Dr. Reid: There have been regular consultations between my office, the Scottish Executive and local authorities about the implications of the Bill.

Cabinet Joint Consultative Committee

Mr. Gordon Prentice: To ask the Secretary of State for Scotland how many meetings of the JCC he has attended. [89272]

Dr. Reid: I refer my hon. Friend to the reply given by my right hon. Friend the Prime Minister on 5 July 1999, *Official Report*, column *362*.

Holyrood House

Mr. Gordon Prentice: To ask the Secretary of State for Scotland on how many days in each year since 1992 the Palace of Holyrood House was occupied by *(a)* the Sovereign and *(b)* other members of the Royal Family. [89551]

Dr. Reid: Since 1992, the Palace of Holyrood House was occupied by *(a)* the Sovereign and *(b)* other members of the Royal family as follows:

Year	*Sovereign*	*Other members of the Royal Family*
1992	6	17
1993	6	26
1994	11	17
1995	7	22
1996	6	20
1997	10	24
1998	5	17
1999	[1]3	[1]7

[1] Interim figure to 1 July 1999

In addition, the Lord High Commissioner, acting as the Sovereign's representative at the General Assembly, occupies the Palace generally for a week in May each year.

From 1 July 1999, provision of the official residence of the Sovereign in Scotland became a matter for Scottish Ministers.

Departmental Running Costs

Mr. Amess: To ask the Secretary of State for Scotland if he will estimate the running costs of the Secretary of State's Office for 1999–2000. [89857]

Dr. Reid: I refer the hon. Member to the answer I gave to my hon. Friend the Member for Eastwood (Mr. Murphy) on 11 June 1999, *Official Report*, columns *412–13*, about amending running costs provision for 1999–2000. The current provision was based on estimates made in January 1999. I have since been reviewing the role and functions of my Department after 1 July and I will make a further statement in due course.

LORD CHANCELLOR'S DEPARTMENT

Public Records Advisory Council

Mr. John M. Taylor: To ask the Parliamentary Secretary, Lord Chancellor's Department if the Lord Chancellor will open meetings of the Advisory Council on Public Records to the public; and how many representations the Lord Chancellor has received on this matter since May 1997. [90058]

Mr. Vaz: The Government's policy document "Quangos: opening the doors" stated that NDPBs, of which the Advisory Council on Public Records is one, should hold open meetings where practicable and appropriate. The Council is keen to conduct its business in as public a manner as possible. However, one of its main responsibilities is in respect of the 30-year rule. This involves the discussion of information which is invariably confidential and frequently has significant security and foreign relations implications. Notwithstanding this, the Council is prepared to consider any request for public access to its deliberations which would not interfere with the proper discharge of its functions.

In accordance with this approach, the Council made arrangements for a particular part of its business to be televised last year. It would be prepared to make arrangements of a similar nature in future. The Council is anxious that the activities which it undertakes on behalf of the public are as widely publicised as possible.

The Lord Chancellor has previously received no representations on this matter.

Mr. John M. Taylor: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will make a statement on the response of the Chairman of the Advisory Council on Public Records to June 1997 petition from the census historians seeking the right to inspect 50-year-old decennial censuses of population for England and Wales; and if he will list the hon. Members who have made representations to the Lord Chancellor on this matter. [90059]

Mr. Vaz: A copy of the petition was sent to the chairman of the Lord Chancellor's Advisory Council on Public Records by a Mr. Denis McCready on 14 June 1997. Mr. McCready had been in lengthy correspondence with the Lord Chancellor, his Department, the Council and the Public Record Office, and the Lord Chancellor had instructed his private secretary to write to him to say that further letters would receive no reply. The secretary of the Council replied to Mr. McCready's letter on 17 June to say that the chairman had decided not to put the matter to the Council since the closure of the census had already received very full consideration over the years and that the Lord Chancellor's instructions about further correspondence applied to the Council. The Lord Chancellor has received no representations from hon. Members on this matter.

AGRICULTURE, FISHERIES AND FOOD

Lindane

Mr. Stinchcombe: To ask the Minister of Agriculture, Fisheries and Food if he will ban the use of lindane for seed treatment; and if he will make a statement. [90837]

Mr. Rooker: We have now banned the use of lindane to treat seeds in England, Scotland and Wales. We have considered carefully the representations received as a result of our announcement of 18 June 1999, *Official Report*, columns *233–34*, that we planned to implement in full the recommendation of the Advisory Committee on Pesticides. We understand that the decision will cause real difficulties to some companies and farmers but we have not received any further evidence to suggest that the risk to operators from treating seed with lindane was significantly less than that assessed by the Committee. I have therefore acted, with my right hon. Friend the Secretary of State, Scottish Ministers and the Welsh Assembly to revoke the approvals for the use of lindane to treat seed as of July. Similar steps are being taken in Northern Ireland.

The Committee has advised that the risk to farmers from using lindane-treated seed is acceptably low. Farmers may also adopt other strategies to combat pests including other cereal seed treatments or crop sprays.

Consumers may be reassured that other approved uses of lindane, which continue for the present, do not constitute an unacceptable risk to consumers.

Cattle Disease

Mr. Martlew: To ask the Minister of Agriculture, Fisheries and Food what advice his Department has provided to farmers on ways they can reduce the risk of diseases spreading to their cattle. [90838]

Mr. Rooker: We have published two leaflets on this issue today. The first, "Farm Biosecurity: Protecting Herd Health" covers general disease prevention and the second "TB in Cattle: Reducing the Risk" is aimed more specifically at reducing the threat of tuberculosis.

This is an important area; through these leaflets we are aiming to raise farmers' awareness of the importance of good practice in reducing disease risk and the benefits it offers. These leaflets offer good advice that farmers throughout the country should follow.

The leaflets will be given to cattle farmers by State Veterinary Service staff and Local Veterinary Inspectors during farm visits and are being made widely available through markets, the Farmers' Unions and local Agricultural Department offices.

I have arranged for copies of both leaflets to be placed in the Library of the House.

Cattle Passports

Mr. Campbell-Savours: To ask the Minister of Agriculture, Fisheries and Food what plans he has for consultation on the proposed level of fees for cattle passports. [90839]

Mr. Rooker: The Cattle Tracing System (CTS) was launched by the Government in September 1998. The system is run by a new organisation, the British Cattle Movement Service (BCMS). The new system enables a full record to be kept of cattle and where they have been throughout their lives, helping the livestock industry to provide assurance to its customers.

Since its launch and until 5 July 1999, 2,330,113 passports for cattle have been issued by BCMS, at an average rate of 11,650 per day. It is expected that between $2\frac{1}{2}$ and 3 million cattle passports will be issued annually. At the current time, 90 per cent. of passports are issued within 3 working days of an application being received. In addition, since last September, 1,446,993 movements of cattle have been recorded on the new system: and 221,506 calls from farmers have been handled by the BCMS call centre since it opened in July 1998.

The Government announced in February 1998 that they would pay for setting up the Cattle Tracing System (CTS) and for running it during its first full year of operation. This represented a benefit of some £36 million to the livestock industry. The Government believe that as the main beneficiaries, the livestock industry should now take over the costs of running the CTS from 27 September 1999. In a consultation document issued today, interested organisations are being consulted on the level of charges, what they cover and the methods of payment.

We propose that the fee should be £7 per cattle passport. This is in the lower half of the £5 to £10 range indicated in November 1997.

This proposed fee does not include the cost of time spent checking the eartags and passports of animals handled by the Meat Hygiene Service (MHS). Instead it is proposed that the MHS should recover these costs directly from abattoirs. The cost to the abattoir sector is likely to be around £2 million per annum.

The Government propose not to charge for temporary passports, known also as calf passports. Calves are less valuable than older animals. The passport fee will be payable however if a temporary passport is submitted for conversion to a full cattle passport.

A copy of the consultation package, including a draft Regulatory Impact Assessment, are being placed in the Library of the House. Comments are sought by 9 August. There will be separate consultations by the administrations in Scotland and Wales, but it is expected that the fee will be at the same rate in all three countries of Great Britain.

Biotechnology

Ms Keeble: To ask the Minister of Agriculture, Fisheries and Food if he will list the consumer/environmental/pressure groups with which his Department's Ministers or officials have held meetings since June 1998, indicating in how many of these meetings genetically modified organisms or biotechnology were discussed. [90922]

Mr. Rooker: MAFF Ministers and/or officials have had more than 360 meetings with the consumer/environmental/pressure groups listed since June 1998. Genetically Modified Organisms/biotechnology were discussed during approximately 40 of these meetings.

Game Conservancy Trust
Scottish National Heritage
World Wildlife Fund
Organic Farms & Growers
Organic Food Federation
Marine Conservation Society
Parnham Trust
National Food Alliance
Wildlife & Wetlands Trust
Humane Slaughter Association
Horror Out Of Farming
Joint National Conservation Council
Worcestershire Wildlife Trust
Soil Association
Royal Society For The Protection Of Birds
National Trust
British Deer Society
Wildlife Trust
Woodland Trust
Butterfly Conservation Trust
Linking Environment And Farming

SAFE Alliance
British Trust For Ornithology
Council for the Protection of Rural England
Climate Action Network
Plant Life
National Conservation Council
English Nature
Consumers Association
National Federation of Conservation Groups
Croydon Conservation Group
Consumers in Europe Group
Womens' Institute
Consultative Farm of Whaling
Salmon & Trout Association
Campaign for Protection of Shechita
National Housewives Association
Friends of the Earth
Anaphylaxis Campaign
Latex Allergy Support Group
Welsh Consumers Council
British Trust for Ornithology
Royal Society for the Prevention of Cruelty to Animals
UK Arctic Conservation Forum
London Conservation Working Group
Free Radicals
Consumers International
Pesticides Trust
Townswomen Guild
Cornish Guild of Smallholders
Small Farms Association
North Cornwall Smallholders
Family Farmers Association
Council for the Protection of Rural England
Ramblers Association
Devon Wildlife Trust
Compassion in World Farming
Gaia Foundation
Wildlife & Countryside Link
Scottish Consumers Council
National Federation of Badgers Group
Sherwood Forest Trust
English Heritage
Wildlife Trust
Cotswold & Gloucestershire Farm Attraction Group
Wiltshire Rural Forum
Wiltshire Woodland Forum
Great Western Community Forest
Dorset Rural Forum
The Rare Breeds Survival Trust
Greenpeace
Green Alliance
Gene Watch
Women's Environmental Network & Genetics Forum
World Society for the Protection of Animals
International Federation for Animal Welfare.

Wild Boar

Mr. Green: To ask the Minister of Agriculture, Fisheries and Food what estimate he has made of the number of boar living in the wild in the United Kingdom. [89954]

Mr. Meale: I have been asked to reply.

There are estimated to be around 100 wild boar living free on the borders of Kent and East Sussex, with between 12–20 in Dorset.

Common Fisheries Policy

Mr. Bercow: To ask the Minister of Agriculture, Fisheries and Food, pursuant to the answer of 17 June 1999, *Official Report*, columns *216–18*, what is his Department's current appraisal of tonnage of discarding for gadoids, by type. [88607]

Mr. Morley: ICES estimated for 1997 that in the North Sea (ICES reporting areas IIa and IV) some 52,000 tonnes of haddock and 17,000 tonnes of whiting were discarded. Estimates made by CEFAS on a similar basis for cod indicate discards of between 31–35,000 tonnes. The majority of these would be undersized.

PRIME MINISTER

Kosovo

Mr. Dalyell: To ask the Prime Minister, pursuant to the Deputy Prime Minister's oral answer of 30 June 1999, *Official Report*, column 339, what British police contribution has been provided for policing activities in Kosovo. [89931]

The Prime Minister: Prior to the commencement of hostilities, two officers from the Metropolitan police were working in Kosovo as observers. When the situation became unstable, they were immediately withdrawn to Macedonia.

When NATO's military action ended, the Chief Prosecutor with the International War Crimes Tribunal made a request for assistance with the recovery of forensic evidence relating to alleged war crimes in Kosovo. The Metropolitan police were approached and agreed to send a team of officers who have specialist skills and knowledge. The team complement in Kosovo is 16, comprising forensic scientists, police officers and pathologists.

In addition, the United Nations have requested 60 UK police officers for Kosovo. We have offered to provide these officers to recruit, to train and to monitor a civil police force for Kosovo. The Foreign and Commonwealth Office are currently discussing with the United Nations and the OSCE what specific roles these officers might undertake.

Ministerial Code

Mrs. Gillan: To ask the Prime Minister what plans he has to amend the Ministerial Code as recommended by the Committee on Standards and Privileges in its Eighth report of Session 1998–99 (HC 807). [89869]

The Prime Minister *[holding answer 5 July 1999]:* The Government welcome the report of the Committee on Standards and Privileges on the premature disclosure of reports of the Foreign Affairs Committee. It offers guidance where none previously existed. I will review the wording of the Ministerial Code in the light of the Report. The Government will, of course, respond to the Committee's recommendations shortly.

Cabinet Committee on Defence and Overseas Policy

Lorna Fitzsimons: To ask the Prime Minister if he will include the Secretaries of State for International Development and for Education and Employment on the Cabinet committee relating to defence and overseas policy. [90240]

The Prime Minister: Ministers who are not members of the Ministerial Committee on Defence and Overseas Policy (DOP) are invited to attend its meetings as necessary, as is the case for any Cabinet Committee.

Junior Doctors

Dr. Harris: To ask the Prime Minister, pursuant to his Oral answer to the right hon. Member for Berwick-upon-Tweed (Mr. Beith) of 7 July 1999, *Official Report*, column 1026, how many junior doctors were working beyond the 56 hour limit as at 31 March; what proportion of junior doctors this represents; and what percentage change this represents from the number so working in September 1998. [90801]

The Prime Minister: We are committed to improving hours and working conditions of junior doctors, and are doing so. The number of junior doctors working more than 56 hours was 4,793, or fewer than one in six in September 1998, having fallen every six months since March 1997 when it stood at 6,485.

The numbers are likely to have fallen further since then, given the continuing action to improve working hours. The regional task force chairmen—who are responsible for providing support and advice to the NHS on reducing junior doctors hours—have confirmed that, keeping to a consistent definition of hours worked, they would have expected the numbers of junior doctors working more than 56 hours to have fallen further since September 1998, continuing the trend after March 1997.

However, in December 1998, with the support and agreement of the Junior Doctors Committee, we introduced new and tougher compliance criteria in order to safeguard the quality of rest periods for junior doctors. Although they would not in fact represent a change in actual hours worked, my right hon. Friend the Secretary of State made clear on 19 May 1999, *Official Report*, column 1139, that any figures on this new basis could well be higher. As expected, around 8,500 posts were found not to be complying with this different and tougher measure, which for the first time included, for example, the number of rest hours while on call and at weekends, as well as actual hours worked. We are committed to reducing this number further.

There is therefore no statistical basis for making the comparison requested between September 1998 and March 1999. Our best estimate is that the numbers working over 56 hours are likely to have continued to fall over that period.

EDUCATION AND EMPLOYMENT

Voluntary Work

14. **Mr. Bill O'Brien:** To ask the Secretary of State for Education and Employment if he will make a statement on his plans to encourage and support voluntary work in the community. [88980]

Ms Hodge: The Department encourages a wide range of voluntary activity in education and training. We have also established Millennium Volunteers to enable young people aged 16–24 to give their time for the benefit of others and support of the Prime Minister's vision of an Active Community.

Disability Discrimination Act 1995

15. **Mr. Connarty:** To ask the Secretary of State for Education and Employment what steps he is taking to inform employers and small businesses of their obligations under the Disability Discrimination Act 1995. [88981]

Ms Hodge: On 9 June my right hon. Friend the Secretary of State launched our "See the Person" campaign which, among other things, aims to improve business awareness of obligations to disabled people under the DDA. The DDA Helpline continues to provide help. A range of leaflets and advice has been produced, targeted at suppliers of goods and services and employers. On 29 June we published a new Code of Practice on the DDA responsibilities of service providers. This will be backed by national newspaper advertisements in July, and further newspaper and radio advertisements in the Autumn, as well as articles, speeches and seminars targeted at business.

School Repairs

16. **Mr. Pike:** To ask the Secretary of State for Education and Employment what assessment his Department has made of the progress made in eliminating the backlog of essential repairs and improvements to school buildings in England. [88982]

Mr. Charles Clarke: We certainly inherited a large backlog of repairs and improvements when we took office. We have already allocated £680 million under the New Deal for Schools and will be supporting capital works amounting to a further £5 billion over the rest of this Parliament. This represents a doubling of investment compared to the previous Government and will substantially reduce the backlog. LEAs are responsible for their own maintenance programmes. By developing Asset Management Plans, which we are supporting and encouraging they will be able to make a more accurate assessment of capital spending needs and priorities, in consultation with their schools and their local partners.

Young People (Assistance)

17. **Mr. Kidney:** To ask the Secretary of State for Education and Employment what support is given by his Department to initiatives for helping young people who are not in education, training or employment. [88983]

Mr. Mudie: My right hon. Friend the Secretary of State in announcing the Government's White Paper, "Learning to Succeed", outlined a new strategy called 'Connexions' for making sure that far more young people continue in education and training until they are at least 19.

Alongside the forthcoming Social Exclusion Unit Report on 16–18 year olds not in education, training or work, and building on the White Paper, we expect to announce more about the strategy and the new support service for young people shortly.

Age Discrimination

18. **Mrs. Mahon:** To ask the Secretary of State for Education and Employment what steps his Department is taking to tackle age discrimination in the workplace. [88984]

Mr. Andrew Smith: We are making good progress. Within the last month we have launched the Code of Practice for Age Diversity in Employment; announced the Pathfinder Areas for the New Deal 50plus and initiated consultation on the basic design guidelines for New Deal 50plus. Copies have been placed in the Library.

Severe Learning Disability

19. **Mr. Nicholas Winterton:** To ask the Secretary of State for Education and Employment if he will make a statement on the Government's policy in respect of those with severe learning disability. [88985]

Mr. Charles Clarke: Our policies for children with special educational needs, including those with severe learning difficulties, are set out in "Meeting Special Educational Needs: a programme of action", published on 5 November 1998.

School Funding (LEAs)

20. **Fiona Mactaggart:** To ask the Secretary of State for Education and Employment if he will make a statement on the funds passed on to schools by local education authorities in 1999–2000. [88986]

Ms Estelle Morris: I would refer my hon. Friend to the tables which we recently published which show that in 1999–2000 14 authorities passed on less than 90 per cent. of the increase in the education Standard Spending Assessment and a further 20 are passing on less than the full 100 per cent. of the increase. The remaining authorities passed at least 100 per cent. of the increase and in some cases more.

30. **Miss McIntosh:** To ask the Secretary of State for Education and Employment what representations he has received on the tables of English local education authorities schools' budgets. [88996]

Ms Estelle Morris: The feedback that we have received so far from local education authorities on the tables of comparative data has on the whole been positive.

34. **Mr. Jack:** To ask the Secretary of State for Education and Employment if he will list those local authorities not spending the full amount of their central Government funding allocated for schools. [89000]

Ms Estelle Morris: We published tables of local education authority expenditure for the first time on 24 June. They indicated that 34 authorities had increased their education budgets this year by less than 100 per cent. of the increase of their Standard Spending Assessment: full details are in the tables, a copy of which has been placed in the Libraries. The figures were constructed from a comparison between the Local Schools' Budget in 1999–2000 and the General Schools budget in 1998–99, with adjustments and making allowance for authorities' expenditure on non-school items.

35. **Mr. Beith:** To ask the Secretary of State for Education and Employment what representations he has received about the funding of schools in Northumberland; and if he will make a statement. [89001]

Ms Estelle Morris: Since the start of the financial year the Department has received five letters about school funding in Northumberland.

Class Sizes

21. **Mr. Coaker:** To ask the Secretary of State for Education and Employment what progress has been made in reducing class sizes for five, six and seven-year-olds; and if he will make a statement. [88987]

Ms Estelle Morris: We are on course to meet our pledge to limit infant class sizes for five, six and seven-year-olds to 30 or below by September 2001. There were almost 130,000 fewer infants in classes over 30 in January this year than in January 1998. We expect the number of infant pupils in classes over 30 to fall below 200,000 by September, a reduction of almost 60 per cent. on the January 1998 figure of 485,000.

Literacy (Primary Schools)

22. **Mr. Derek Twigg:** To ask the Secretary of State for Education and Employment what provisions there are in the National Curriculum to ensure the teaching of literacy in primary schools. [88988]

Mr. Charles Clarke: Our proposals for the revised National Curriculum are fully aligned with the objectives in the National Literacy Strategy "Framework for Teaching", which primary schools have been teaching in the daily Literacy Hour since September 1998.

New Deal 50plus

23. **Judy Mallaber:** To ask the Secretary of State for Education and Employment which areas have been chosen for new deal 50plus pathfinder projects. [88989]

Mr. Andrew Smith: There will be nine pathfinder areas, one in each of the seven Employment Service regions in England, and one each in Scotland and Wales. Those areas are: Black Country; City Pride Manchester; Dorset; Durham; Edinburgh East and Midlothian; Hull; North Derbyshire; North East Wales; and Oxfordshire.

Early Learning

24. **Caroline Flint:** To ask the Secretary of State for Education and Employment what responses there have been to the Qualifications and Curriculum Authority's consultation on establishing a foundation stage for three to five-year-olds. [88990]

Ms Hodge: The Qualifications and Curriculum Authority's recently published summary of responses to the review of the Desirable Learning Outcomes shows overwhelming support for the establishment of a foundation stage for three to five-year-olds.

	Percentage
Questions asked by the Qualifications and Curriculum Authority	*Sample response*
Are the aims of the foundation stage broadly right?	98
Do the Early Learning Goals reflect the aims?	Average 95
Are the Early Learning goals appropriate for the majority of children at the end of the foundation stage?	Average 91
Should a foundation stage be established?	89

27. **Helen Jackson:** To ask the Secretary of State for Education and Employment what steps he is taking to raise the quality of early years pre-school education. [88993]

Ms Hodge: The Qualifications and Curriculum Authority (QCA) is reviewing the Desirable Learning Outcomes and has proposed the introduction of a Foundation Stage until the end of Reception Year. The QCA is also establishing a Qualifications and Training Framework for the early years education, child care and playwork sector. The Government are currently considering their response to the consultation on regulation and inspection of early years education and care and hope to make an announcement shortly.

32. **Mr. Gray:** To ask the Secretary of State for Education and Employment when the review of pre-school education will be completed; and if he will make a statement. [88998]

Ms Hodge: I have asked the panel reviewing the future role of pre-schools and playgroups to report to me by the middle of August. The review is considering how pre-schools and playgroups can play a full part in the expansion of early education and child care services.

Excluded Pupils

25. **Dr. Kumar:** To ask the Secretary of State for Education and Employment how many pupils were excluded from school last year; and if he will make a statement. [88991]

Mr. Charles Clarke: In 1997–98 12,300 pupils were permanently excluded from maintained schools. This is good news because permanent exclusions have fallen by 3 per cent. (from 12,700 in 1996–97), the first decrease since the Department began collecting information in 1994–95.

Pupil Funding

26. **Mr. Todd:** To ask the Secretary of State for Education and Employment what steps he is taking to increase the equality of funding between pupils in different parts of England. [88992]

Ms Estelle Morris: Over the next three years we will be reviewing the methodology for calculating Education Standard Spending Assessments to improve the fairness of the current formula and to try to find long-term solutions to the problems we inherited.

Lecturers' Pay

28. **Dr. Cable:** To ask the Secretary of State for Education and Employment what additional resources will be made available to increase pay levels for lecturers in further and higher education institutions. [88994]

Mr. Mudie: We have made available an extra £776 million for higher education this financial year and next and an extra £725 million for further education over the same period. It is for the employers in their respective sectors to determine how much of these increases to devote to pay.

Nursery Places (Sheffield)

29. **Mr. Allan:** To ask the Secretary of State for Education and Employment what assessment he has made of the provision of nursery places in Sheffield. [88995]

Ms Hodge: Sheffield's Early Years Development and Childcare Plan for 1999–2000 sets out how a free early education place is being made available for every four-year-old child whose parents want it. My Department gave full approval to Sheffield's Plan in March. Sheffield was one of 57 authorities allocated funding for creating new nursery places for three-year-olds in 1999/2000. We are still considering each Local Education Authority's plan for increasing early education places for three-year-olds.

New Deal Gateway

31. **Mr. Healey:** To ask the Secretary of State for Education and Employment what steps he is taking to improve the functioning of the New Deal Gateway. [88997]

Mr. Andrew Smith: As part of the continuous improvement of New Deal we are currently in the final stages of planning for trailblazer products which will develop and test a number of different approaches in making achievement more intensive for young people in the Gateway. These are due to be launched later this summer. Additional measures are also being introduced across the country this month to make the fourth month of Gateway more effective in managing the transition of individuals between the Gateway and jobs or New Deal options.

The New Deal carries with it obligations for young people to make use of the support offered. That is why we recently announced our intention to strengthen the sanctions against young people who fail to co-operate in moving from Gateway to suitable options.

New Deal (Young People)

33. **Dr. Gibson:** To ask the Secretary of State for Education and Employment if he will make a statement on the progress of the environmental task force option within the new deal for young people. [88999]

Mr. Andrew Smith: The latest Government Statistical Service figures to the end of April 1999 show that 14,200 young people had started on the New Deal Environment

Task Force. This Option offers young people a range of practical skills, work experience and an opportunity to study towards a recognised qualification normally up to S/NVQ level 2 or equivalent. I am increasingly impressed by the progress of this option and the range of projects it has available.

New Deal (Employers)

36. **Ms Dari Taylor:** To ask the Secretary of State for Education and Employment how many employers have signed up to the New Deal to date. [89002]

Mr. Andrew Smith: Almost 52,000 employers have signed New Deal agreements so far.

School Transport

37. **Mr. Sawford:** To ask the Secretary of State for Education and Employment when he expects to announce the results of the review of school transport. [89003]

Mr. Charles Clarke: The School Travel Advisory Group, formed to look at all aspects of school travel and transport, will be making recommendations to Ministers in the autumn.

A-level Results

Mr. Paul Marsden: To ask the Secretary of State for Education and Employment if he will list the average A-level results for each subject, for each local education authority area, broken down by (i) schools and (ii) sixth form colleges in 1998. [88584]

Mr. Mudie: A table giving details of the average GCE A-level results for the twelve most popular subjects, for each local education authority area, broken down by (i) schools and (ii) sixth form colleges in 1998 will be placed in the Library.

Research Grants

Mr. Sawford: To ask the Secretary of State for Education and Employment if he will publish the criteria used to determine what sums are awarded to each individual higher education establishment in the form of research grants. [88831]

Mr. Mudie: The Higher Education Funding Council for England (HEFCE) has set out its criteria for allocating research funds in a guide "Funding higher education in England: How the HEFCE allocates its funds", a copy of which has been placed in the Library.

The Research Councils award competitive grants to researchers in higher education using peer review to assess proposals. The current criteria employed by each of the Research Councils have been placed in the Library.

Special Advisers

Mr. Don Foster: To ask the Secretary of State for Education and Employment if he will list the subject and date of each written briefing prepared by his Special Advisers for all Labour Members since May 1997 and the total number and total cost to date of these. [89980]

Mr. Mudie *[holding answer 6 July 1999]:* Special Advisers are appointed under terms and conditions set out in the Model Contract for Special Advisers. Schedule 1, Part 1 of the Model Contract sets out the role and duties of Special Advisers. As well as research for Ministers and reviewing papers, contributing to policy planning with the Department and preparing policy papers, speechwriting and liaison with outside interest groups, their role explicitly includes liaising with the Party and helping to brief Party MPs. Records are not held of when such briefings are given. Similar arrangements have applied under successive Governments.

School Performance Tables

Mr. Blizzard: To ask the Secretary of State for Education and Employment what steps he is taking to ensure that school performance tables reflect the achievements of children of all abilities. [89342]

Mr. Charles Clarke: The achievements of all pupils in GCSEs, GNVQs, other vocational qualifications and National Curriculum assessments are included in school performance tables, regardless of their abilities. We continue to look for ways of reporting the achievements of pupils who are unable to meet the minimum standards of the GCSE and equivalent qualifications by the end of their compulsory schooling, in consultation with the Qualifications and Curriculum Authority. We introduced a point score in the secondary tables in 1998 to reflect achievements across the full ability range more closely.

Cabinet Joint Consultative Committee

Mr. Gordon Prentice: To ask the Secretary of State for Education and Employment how many meetings of the JCC he has attended. [89276]

Mr. Mudie: I refer my hon. Friend to the reply given by my right hon. Friend the Prime Minister on 5 July 1999, *Official Report*, column *362*.

Individual Learning Accounts

Mr. Woolas: To ask the Secretary of State for Education and Employment if he will estimate the cost of providing each further education student with an individual learning account credited with an amount equivalent to the cost of undergraduate tuition fees. [89359]

Mr. Mudie: The national framework for individual learning accounts is being developed. Currently we are targeting people aged 18 years and over who are in employment or about to return to work. At this stage, we are not planning to offer individual learning accounts to full-time further education students. We are planning to pilot different approaches to some aspects of further education funding through individual learning accounts during 1999 and 2000.

Safe Play Surfaces

Mr. Etherington: To ask the Secretary of State for Education and Employment if he will list the guidance issued since 1992 to local education authorities regarding the provision of, and funds for, safe play surfaces for *(a)* nursery schools and units, *(b)* infant and junior schools and *(c)* secondary schools. [89964]

Mr. Charles Clarke: The Department's guidance for schools on play surfaces is contained within its 1997 Building Bulletin 85, "School Grounds: A Guide to Good Practice". Before then, the Department referred inquirers

to the National Playing Field Association's publication, "Play Safety Guidelines", and continues to do so. The Department has not issued guidance to local education authorities on funding for safe play surfaces.

Commonwealth (National Curriculum)

Lorna Fitzsimons: To ask the Secretary of State for Education and Employment if he will include study of the Commonwealth in the planned citizenship module of the national curriculum. [90111]

Mr. Charles Clarke: The proposed framework for citizenship sets out programmes of study to help pupils become informed, active and responsible citizens, which at Key Stages 3 and 4 covers knowledge and understanding of the challenges of global interdependence and responsibility. This offers an opportunity for study of the Commonwealth.

Primary School Inspections

Mr. Clappison: To ask the Secretary of State for Education and Employment (1) what representations he has received about lay inspectors heading inspections of primary schools; [90289]

(2) what training is received by lay inspectors heading inspections of primary schools; [90290]

(3) what proportion of inspections of primary schools is headed by lay inspectors. [90291]

Ms Estelle Morris: The registration and training of inspectors who conduct school inspections contracted-out by Ofsted is a matter for Her Majesty's Chief Inspector of Schools. He announced in 1996 that an opportunity would be provided for experienced lay inspectors with appropriate skills to become Registered Inspectors and therefore be eligible to lead school inspection teams. I have asked him to write to the hon. Member and place a copy of his letter in the Library.

Transmitter Masts

Mr. Barry Jones: To ask the Secretary of State for Education and Employment (1) what guidance he has given to those schools which have transmitting masts on their premises concerning the impact of these masts upon the health of pupils, professional staff, ancillary staff and the general public; and if he will make a statement; [90365]

(2) how many schools, primary and secondary, have approached him concerning the health and safety consequences of transmitting masts on schools premises regarding pupils, staff and the general public; and if he will make a statement; [90366]

(3) what research he has commissioned into the potential health hazards of transmitting masts on school premises; and if he will make a statement. [90367]

Mr. Charles Clarke: The National Radiological Protection Board—which my right hon. Friend the Secretary of State for Health sponsors—is responsible for advising the Government on radiological protection matters. The Department has not separately issued advice to schools or commissioned research on the impact of these masts.

Since July 1997, the Department has received two letters from schools, 25 letters from members of the public and six letters from hon. Members about the possible health effects of radio transmitters on school premises. Of these 33 letters, 31 were received during the past two weeks. My right hon. Friend the Secretary of State has received a number of representations at his constituency office in Sheffield.

We take very seriously the recent public concern about the siting of these masts on school premises and the possible health risks to children. Discussions are taking place urgently with the other Departments involved to see what further research and guidance or other action may be necessary.

Schools (Disabled Access)

Mr. Drew: To ask the Secretary of State for Education and Employment what support has been given to schools to enable them to become accessible to those with disabilities. [88972]

Mr. Charles Clarke: Each year we have increased substantially the resources available for the Schools Access Initiative, to invest in making mainstream schools more accessible to those with disabilities and sensory impairments. For the three years from April 1999 we will be allocating a total of £100 million of new money. The £20 million we have allocated this year will improve access for pupils in over 1,600 schools.

Disability Rights Commission

Mrs. Curtis-Thomas: To ask the Secretary of State for Education and Employment when he expects the Disability Rights Commission to be fully operational. [89711]

Ms Hodge: Subject to Parliament enacting the Disability Rights Commission Bill, which had its Report and Third Reading in this House on 30 June 1999, *Official Report*, columns 365–400, we expect the Commission to begin operations in April 2000. Initial planning for the establishment of the Commission has begun. However, much of the work cannot commence until after Royal Assent of the Bill and when the Chairman, Chief Executive and Commissioners have been appointed. It will be for them to decide the range of services available from its operational date.

Teachers (Age Profiles)

Mr. Field: To ask the Secretary of State for Education and Employment how many state school teachers there are aged between *(a)* 21 and 25, *(b)* 25 and 30, *(c)* 30 and 35, *(d)* 35 and 40, *(e)* 40 and 45, *(f)* 45 and 50, *(g)* 50 and 55, *(h)* 55 and 60 and *(i)* 60 and 65 years. [90088]

Ms Estelle Morris: The information requested is contained in Table 26 of the publication "Statistics of Education: Teachers: England and Wales: 1998 Edition". A copy of this publication is available in the Library.

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PARLIAMENTARY DEBATES

OFFICIAL REPORT

SIXTH SERIES **VOLUME 334**

SESSION 1998–99

28th June—8th July 1999

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